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PSA aims to overthrow lawyer "monopoly"

by Rae Mazengarb

THE PSA aims to revolutionise the legal

If its plan is implemented unions and other organisations will provide members with a complete legal service which will render obsolete the traditional relationship between single client and single law firm or lawyer.

The PSA is examining a scheme for a group legal service, which, if feasible, will be referred to the PSIS for implementation.

The FOL and the NZ Drivers' Federation are among other groups which are interested in the concept — one that is fast gaining ground

chairman of the PSIS board of



He approached both the

for such a scheme because of its membership of over 180,000 A LONG period of detailed reasonably effectively, then work — is amongst they cannot expect freedom place tasks to be tasks to - could employ its own lawyers and support staff to work full time on its members'

heightened recently and PSA PSA secretary W E B Tucker

is keen to see the scheme developed but admits there could be problems as far as the Flaus outlined to Tucker and

PSIS and PSA with a plan for a • The profession has made no time deliver to PSIS members higher than fees charged for management, Jim Turner; to group legal service scheme. effort to economise and a cheap and comprehensible the second. (Flaus believes outside law firms to prose speak out publicly against The PSIS — an ideal vehicle, provide alternative means of legal service.

control has fostered many they cannot expect freedom plest tasks in legs particitive arrangements in from government action to and hence high charges my institled. the private sector. Such protect consumers and justified). A group is arrangements should now be promote the public interest. Service scheme could be the bear a constitution of the public interest. abandoned or severely The changes recommended by the hour - if at all modified. Thus we recommend here will operate with greatest

Group legal scheme. that Government should exert effectiveness in an economy to a substantial reduction pressure on trade and which is expanding with legal costs because d professional associations or sufficient stability to engender societies to desist from confidence in business that the of it of a fairly uniformity practices which limit com- expansion can be sustained. Cost-minimist

Turner "compelling reasons" SOURCE: ECONOMIC STRATEGY 1979 — NZ for establishing a group legal PLANNING COUNCIL.

year following the sannouncement of steep increases in the minimum scale of lawyers' Turner's remarks to look at conveyancing fees — a move which prompted then the properties of the properties of the profession of the profession of the profession of the contribution of the profession's plea for increase and at the conveyancing fees — a move which prompted then the profession of the profession's plea for increase in faced effective pressure to do so. A consumer's legal irrational since the purchase action to raise legal profession. Hence the dos so. A consumer's legal irrational since the purchase action to raise legal fees was made with no public input save the contribution of the purchase action to raise legal fees was made with no public input save the contribution of the purchase at \$22,500 yet fees the profession's plea for independence, and at the same transaction are substantially

practices which limit comexpansion can be sustained. Cost-minimising systems petition and, if necessary, take This reinforces the point made equipment can be done. earlier that we need a con- quickly.

"legal check-ups" under

cost by the group legal sac

Lawyers of the calibra

JIM TURNER ... 4510

current legal professip)

range of other services in

members for exact

through the employment?

matrimonial or well

Flaus noted that with the

Practitioners Bill likely 13

brought forward this yet was an ideal time to pres changes in it for consumer

conveyancing - along with mortgages and to profe

If private enterprises will not permit competition, so that market forces can operate source. Source: Economic Strategy 1979 - NZ Source in the source of policy changes, each designed to reinforce and sustain the effectiveness of the others. Source: Economic Strategy 1979 - NZ Source in the source of policy changes, each designed to reinforce and sustain the effectiveness of the middle of those in the middle of the middle of the middle of those in the middle of the middle o what he called the profession's monopoly position. Government lawyer Warwick Flaus, whose interest in the delivery of legal services are unorganised band delivery of legal services are unorganised in facing the highly organised legal profession. Hence the legal profession a group legal services are unorganised in facing the highly organised legal profession. Hence the legal profession. Hence the legal profession and those subscription of conveyancing charges is irrational since the purchase. STRATEGY 1979 NZ. | PLANNING COUNCIL. | PLONOMIC STRATEGY 1979 NZ. | legal aid and those subscription and those subscription are provided in facing the highly organised in facing the highly organised legal services are unorganised in facing the highly organised legal services in the delivery of legal services are unorganised in facing the highly organised legal profession. Hence the legal services are unorganised in facing the highly organised legal services in the delivery of legal services are unorganised in facing the highly organised legal services are unorganised in facing the highly organised legal profession. Hence the legal services are unorganised in facing the highly organised legal profession. Hence the legal services are unorganised in facing the highly organised legal services are unorganised in facing the highly organised legal services are unorganised in facing the highly organised in facing the highly organis programmes which the potential problems belond the velop. Fear of his or inhibits clients from to inhibits clients from the inhibits cl develop. Fear of hip of

present lawyer-client sy: will be driving on sugar beet if the Government accepts the own legal services, 81 recommendations of a report it unions. The same many could be handled at min

University are already turning cost \$10.5 million and produce unly 15,900 tonnes of ethanol. synthetic fuel — for less than it costs to import petrol.

costs to import petrol.

In a report to the Energy beet needs class 1 or 11 soils — Research and Development would supply enough ethanol Committee, the scientists will recommend the building of a with petrol supplied to the pllot production plant ini- Lyttelton storage dump. mediately, and a full scale plant soon after.

Elhanol is not new. The Germans used it in World War II. So did the Australians and

Brazil is now the undisputed vorld leader, using sugar came esidue as the source material and building car engines to burn an ethanol-petrol mixture

Scientists say most cars would not notice a 10 per cent ethanol petrol mixture. Many would still run happily on a 15 per cent mix with little ad-

Ethanol is an alcohol, produced in a similar way to whiskey from farm crops or

Cheap oil had made the process unattractive since the war. But thanks to OPEC, ethanol is climbing back into commercial favour. Wood — 60 per cent of which

is wasted in logging and milling — appears to be the Dr Brian Earl, at Con-

terbury University, says the methanol an hour. economics of producing ethanol from fodder beet

grown within a nine kilometre

production.

tonne,'' Earl said.

radius of the processing plant

Project scientist Dr Derek

If there is a future for the sugar beet industry in New Zealand, it may be as a two commercial

building block petrochemicals, not as a food. Sugar can be turned into blodegradable feedstock for textiles, plastics, cosmetics,

CHRISTCHURCH motorists 200 tonne input of dried matter most economic material or

build and would produce 23,200 Chemical hydrolysis tonnes of beet-derived ethanol removes up to 70 per cent of 17 Scientists at Canterbury A wood-using plant would enabling the fermentation process to begin.

It is the extra chemical process which makes wood produced ethanol more expensive than from beet.

So for the institute's plant has cost \$200,000 to build and Whitworth estimates "a useful sized plant could be built for \$2 Fresh petrol crop grows for the 1980: to \$3 million' Lincoln College experts have calculated the beet could be

Methanol from Maui gas is indisputedly the cheapest energy afternative New Zealand has to crude oil. The Government is already

by farmers devoting less than one-fifth of their land to its committed to a programme of adding 15 per cent methanol to Farmers could be induced to certain fuel oils by the mid grow the crop (or a return of

\$40 a tonne delivered to the Methanol from Maui will be cheaper than imported crude is now, half the price of ethanol "To compete wood would have to be delivered at \$7 a from wood and still ahead of ethanol from beet.

"We calculate it would cost Methanul derived from wood at least \$20 a tonne to collect is also relatively cheap, though and deliver assuming the wood

Meanwhile in Rotorua the Forestry Research Institute is might still have a future. Victoria University scien-

about to produce ethanol from tists are investigating the Work began on the project manufacture of xylitol, a more than three years ago and natural sugar produced from the Government gave aptimber which research shows proval for the pilot plant in substantially reduces tooth

When commissioned it will Finland and Japan have use wood chips, sawdust, control, but its production in newsprint and cardboard to New Zealand could produce make up to five litres of ethanol as a cheap by product as well as boosting exports. Road tests in Christchurch

Whitworth says the objective are already pointing to ar is to do as many experiments ethanol-methanol-petrol blend early next century making

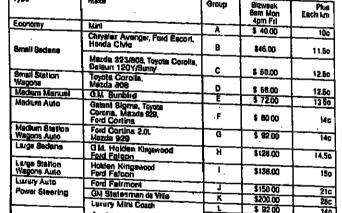
> Research and Developmen mittee report suggests there will be a need for ethanol and methanol production to supplement more from 1990s. A demonstration programme in the 1980s with the objective of having one or

operating by 1990 will be highly desirable, the report says.

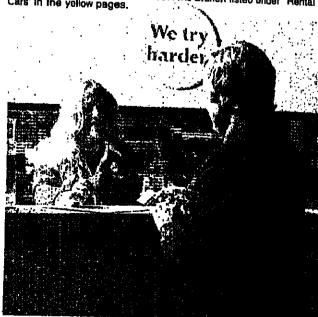
The two most economic processes are fodder beet to ethanol and radiata pine to



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by Belinda Gillespie

SOURNESS has hit the sugar industry as the world has lost

its sweet tooth. Since the "sweet days" of 1974, output has gone up by 14 per cent. far outstripping

said Flaus. Several other lawy also stated they would A surplus of millions of tons see some changes made all would resist a se has been dumped on the structure.

"I put up the idea. That

involvement. I'm Reen 1080

become a reality,

there is full discus

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and detergents, as well as a methanol fuel alcohol substitute or In the

lave moved away from world's sucrose — the traditional sucrochemical facility is sugar produced from sugar scheduled to come on stream cane and beet — to substitutes in Britain this year. such as corn syrup as less

A forecast for the future: We Sugar is used in the home and used to eat sugar in ore in the food processing waste of energy! used to eat sugar - what a

In the short term methanol plants could use forest waste but the report recommends that planting should begin now to produce a feedstock of grown trees in the late 1990s. SHOULD the company car be sacrificed to conserve fuel? Editorial — Page 4.



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In the thrall of some defunct economist

by Colin James

"WE have understood the unique nature of New Zealand, we have carefully analysed both the opportunities and the pitfalls before us and in the light of all this we have

"The challenge now is to perauade those with entrenched ideas or vested interests to adopt similar

So said the National Party In July last year in Years of Lightning — the official party "record of the achievements o the National Government since November 29, 1975".

What the party value was, has never been made entirely clear, but Years of Lightning said restructuring had already

Budget, New Zealand's new direction is now firmly established, the restructuring has begun and the benefits are

The way some people in the

As evidence, we could offer a restructuring plan at election new backbench MP, Ian time, let alone last July. McLean. Just a couple of weeks or so ago he was still way: berating ivory tower expounding his "more dwellers and newspaper weeks or so ago he was still market" theory of economic

And outside the House, a lot of party members share his approach. They are waiting and hoping for some pronouncements from the Government that will convince the electorate, especially the private enterprise bits of it. that there will be structural

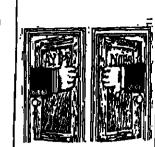
The Government, too, seems not to have been convinced that the restructuring was in

full swing in July, last year. Take the Prime Minister. who Years of Lightning said "had a reputation for going straight to the heart of any problem, explaining to the people with devastating candourland solving it in double

held no fears," the writers of Years of Lightning gushed on, "he was exactly the kind of leader New Zealand needed."

Right on. After all, he had been Minister of Finance for six years from 1966 and the party's economic expert from 1972 to 1975, not to mention Minister of Finance again from 1975 on.

If anyone in politics should know exactly how the economy needed to be restructured, it should be he. Twelve years of thinking about it should be



Department, and the Manufacturers Federation and the Federated Farmers waited with - in my case, at least baited breath for our futures to

But the economic plan turned out to bear more than a passing resemblance to the emperor's clothes.

After three months of pressure from economists, pressure groups, his own departments and the Organisation for Economic Cooperation and Development the Prime Minister made clear that he had had no

He did this in a backhanded editors for expecting answers in three months. It was what a man newly installed in office in December might have said, rather than someone of his long and broad experience. We have had some

movement: relaxation of price control and a commitment to encourage foreign investment. There is also recognition of the need to build up agriculture. But of what bits of the

economic structure are to be altered, so far not a whit. The furthest the Government has gone is to rule out McLean's "more market" approach (that is, letting market forces decide the extent and the nature of the

In a revealing passage in his speech to the Wellington branch of Society of Accountants recently, the Prime Minister outlined his preferred method of encouraging resources out of "undesirable industries if this was done: "The best way would be to start by deciding which in-dustries were undesirable, tell them so and then help them change, rather than attempt to do the job under the pressure

of a damaging or potentially disastrous series of events." At this point it is worth recalling another passage in Years of Lightning. It quoted

themselves quite exempt from had loosely translated this as: any intellectual influences, are "More business in government usually the slaves of some and less government in defunct economist."

names of defunct economists economic resources through scribes to it. licensing, incentives, controls I can remer and state support.

It is also not hard to name

own condition, when suffered had had time to report. to exert itself with freedom. Aside from probably con-

By Sid Holland's day in the "Practical men, who believe late 1940s, the National Party

It is not hard to produce Most National Party members I know would still at who have argued the virtues of least pay lipservice to this. But fine tuning, or economic in- there is not much evidence tervention, of state direction of that their Government sub-I can remember running into

a fuming Peter Wilkinson defunct aconomists who have just after the Cabinet had argued the opposite virtues. Of rejected out of hand any them, the most famous is suggestion of charging for probably Adam Smith, who local telephone calls - before a taskforce looking at ways of pays.

principle, that it is alone, and sequent blood pressure lorate). without any assistance, not problems, the Cabinet's pre-Yet, ironically in the light of only capable of carrying a emption pinpointed the the Picton incident, a more Transport Minister Colin portfolio. structions with which the folly McLachian proved the point His Railways Department.

profit and social service those within the industry say I am not an admire the issue is crucial to the

COLIN McLACHLAN . . . user

"The natural effort of putting Post Office financing kiboshed any suggestion of the every individual to better his on a more businesslike footing Cook Strait ferries pulling out of Picton (which just happens to east 1500-odd votes in the and security, is so powerful a tributing to Wilkinson's sub- marginal Mariborough elec-

society to wealth and supremacy of politics, rather businesslike approach is prosperity, but of surmounting than business, in government. surfacing in McLachlan's

of human laws too often in- again recently when he under pressure from the huge ranks

its comment in The a timistically into the 200-mile Change that "the policy economic zone, looks like it

McLachian (few people is future of all joint venture But, whether by accident operations.

design tand, if by deat If the vessel returns to whether by his or many—one of the options else's), transport during inder consideration—it is the bear many in the bear man

should, for reasons others should, for reasons others expertise of the foreign partpolicy, be the object of the "more mate" next in both deep-sea fishing dustry is at risk", he said. baying of the "more must

road transport industry in THE New Zealand fishing identified its unprofile industry which, with foreign services.

entitled to know justiment may founder.

people benefit from by Watersiders' demands over operation of these services, the unloading of the joint-to what extent their kndl venture fishing boat the subsidised" raitet & Wesermunde raises an impossibility of a mediate argument between businesslike approach the waterslders and fishermen present muddled miner and processing workers. But

term has been moving many unlikely to return to complete the user-pays, command the user-pays, concern are several other this instinctive, if soziary this instinctive, if soziary inept, private entergy should for reasons of the backing and technological backing and technological and marketing, the industry is

director of the joint venture
company High Seas Fisheries
Limited.

If the dispute continues the

company — aside from tipping the catch over the side — is considering transhipping at sea or returning the Wesermunde to Germany.

Transhipping would be a costly operation with the suitably-fitted vessel. The company has informed Government it will apply for permission to do this. Abandoning the joint ven-

ture would be a last resort, Stevenson said. But it could happen "if we can't work and unload in an efficient way to maintain the quality". He emphasised the need for

skilled personnel in the unloading operation since the fish needed sorting and, in Japan, America and Europe", some cases.

"Unless we can do this using ability to pack and present the fishermen and fish processors, product in the manner the the whole viability of the inmarket wants, unlike some of the other local companies, he But other forces may be

The company has a German agent in the EEC to do the

Foreign-backed fishing dream flounders

marketing there. Stevenson views the present downturn in prices as only grounds. The move con-tributed to fish prices soaring temporary. High Seas Fisheries is a New around the world and gave

cause for great optimism. involving R C MacDonald Ltd. In anticipation of prices Southland Frozen Meat and remaining high, companies Produce Export Co, and took the Government's advice and invested in catching and cherie, of Germany. processing less popular varieties of fish. The 3500 tonne, stern trawler

Wesermunde is on charter for But fish prices last year 12 months for research and dropped across the board. commercial fishing in Since then the local industry southern waters, and is has been faced with a decaying registered as a New Zealand lishing vessel. It was intended that the

suggestion that the joint Wesermunde be joined by two or three sister ships next year, if the operation looked good commercially. is a reasonable market in

But after some 50 days at sea, the boat returned to port with a disappointing 250-tonne High Seas Fisheries have the

> According to the Ministry of Agriculture and Fisheries publication, Catch October 78 port (for the joint venture) and

the estimated total catch for the charter is from 5250 tonnes

Therefore, the company had

tonnes by the third year". Just four further cruises are planned for this year and it looks as if the tonnage will fall far short of these projections.

But a seafoods division official of R C MacDonald said that despite the good weather, it was known that the summer months were a poor fishing time, considering both the area in which the boat was fishing and the species it was

Martin Cawthorn, one of the four New Zealand scientists working on board with West German scientists, sald the charter was aimed both at testing and modifying gear for use in New Zealand waters and assessing the fish stock for the

The German Government has underwritten the research for the first year to the tune of

Because of this extensive research programme the number of actual fishing days The Campbell Plateau was the overseas markets have not

in the first year to 150,000 no idea of the size of catch to

To argue that the union problem might have been timely was to ignore the fact that a major portion of the vessel's time was intended to be spent merely looking over the fishing grounds, Cawthorn

at sea and will continue fishing while awaiting the outcome o

But at a cost of \$15,600 a day to keep on the high seas, the company can ill-afford the problem to remain unresolved

for too long. The vessel has a 1360 cubic metre freezer hold and a further 700 cubic metres of fish meal storage space, and can

According to Stevenson, while the future looks uncertain for this vessel, agents samples of the processed fish. demands and requirements of

Petrol saving efforts hit

Some stations, particularly those operating seven days a and a similar proportion of the

time workers have lost jobs as Friday to 6 a.m. Monday.

measures. "We agreed to co-operate and bear our share." he said. "Our original concept was that commercial users would be ordered to take a percentage

restrictions on farmers and the commercial operators and industry have been asked only to make voluntary restraints,

"The net result is that we are subsidising everyone

The Association is working on an alternative package which it intends putting to Energy Minister Bill Birch this

Bates refused to go into details but he dismissed suggestions that service stations might impose some sort of rationing on motorists.

the burden," he said. The alternative scheme is likely to include mandatory restraints on industry, commercial vehicle operators and or

station viability community and the private by John Draper PETROL saving motorists are "But there are no carless rapidly sending service station days yet, there are no

week, have lost more than 60 per cent of their petrol sales lucrative accessory trade. Hundreds of casual and part

stations close from 7 p.m. Many are near to closing down for good as cash flows dry up, the Motor Trade Association claims. Executive

officer Trevor Bates says the

association never agreed to

bear the whole burden of the

Government's oil saving

"We want to try and equalise

farmers as well as the rapid introduction of the carless cut back as well as the farming days scheme.

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"It's more impressive to fail on a difficil objective than succeed on a modest one."



American Express, in conversation with Cardmember Sir Edmund Hillary.



Sir Edmund ("call me Ed") Hillary: Mountaineer, Adventurer, Explorer, Author, Businessman, Nepalese Bridge Builder, Chairman of the Himalayan Trust. Attended Auckland Grammar where, despite the motto (Per Angusta ad Augusta -Through Narrow Paths to the Heights) he remained uninspired. Eventually discovered mountains, conquering the biggest of them all in 53. Became the youngest Knight of

someone said the other day where dream of impossible things you might just as well dream of big impossible things.

B.H. I agree actually. A challenge ou're confident of overcoming is oing to overcome it? The real chalievement. It's more impressive to on a difficult objective than to sucd on a modest one.

ik: Have you always had a clear picof your goals?

i: No, I don't think I did. People "When did you first really get your ambition to climb Mt. Everest?" I didn't get my great ambition to Mt. Everest until a year or two orehand. I'd been climbing for my years before I even thought of the peet of going to Mt. Everest.

You didn't tell your mother in hat you were going to climb Mt. No, no. You know, there was old ak Smyth who was one of the great

him across France. His mother was holding him in her arms, suddenly on the horizon, he saw a great white mass of mountain peaks whereupon he duly rose up and pointed in the direction of these peaks said "go gaga goo goo". Which meant (supposedly), "I'm going

to become a famous mountaineer' Well, that's really a lot of rubbish. People tend to try to give you ideas and a future far before you ever had these firm convictions.

A.E: At what age did you realise you were going to become famous?

E.H: It wasn't until I actually climbed Everest that it suddenly dawned on me that I was going to be in the uncomfortable position of heing famous. Before Everest, even on the mountain, I had never really even thought about it. We were much more innocent in those the century. Other remarkable days. Nowadays, the modern athlete is achievements include driving a con-aware that if he is very successful there voy of farm tractors to the South can be economic, substantial economic

A.E. I read the other day where A.E. If Ed Hillary had climbed Everest in the '70's, the 33-year-old Sir Edmund Hillary would have been a very marketable item indeed. Are you glad or sad that you escaped that

E.H: Very glad. I have a little bit to do with it anyway, but I have been able to with it anyway, but I have been able to what I regard as a reasonable keep it to what I regard as a reasonable are advantages of tiges are ones that extend you to the course, as far as the fame business is most. Where there is always doubt as concerned in raising funds for projects. to whether or not you are going to be In things of this nature, it certainly has ul. Then, when you succeed, if been very beneficial. But I don't envy do succeed, you have a great sense the great athlete of today who gets involved in the tremendous commercial

> A.E. Did Neil Armstrong's giant step, I wonder, create as much excitement for people as Ed Hillary's? I remember looking at the moon and thinking, "Hey, there's somebody up there", and the people around me-were walking along looking down at the payement.

E.H: There's a tremendous difference in the challenges and adventure of today. It's not only the achievement of the individual but the thrill of those back in Houston pushing all the but-tons. I think it was probably more fun in our day in that you were the one who had to make the decisions ltaincers and wrote lots of books. ified technology which was thrusting wrote in one of his books that when you almost litto position.

he was a young child his parents took A.E: Decision-making is obviously a E.H: I think that most people can learn

to become decision-makers. I certainly was never anything like a born leader but I found that over the years there were certain techniques that one could follow which enabled one to handle groups of people who could easily be far more efficient and far more intelligent perhaps than oneself. The thing always found was doing your homework. Before you went to bed each night, you just went through in your mind what was going to happen next day and briefly thought out what problems you might meet and what you would do if those problems did occur. Now, that meant that if something did happen you had thought the matter over and you were in a position to give a competent decision im-

A.E: How long have you had the

E.H: For five or six years, and find it most useful for identification. For example, in American hotels where they often ask you for identification before you even check in, I've found the American Express Card is particularly valuable, It really does give you formal identification. It does have a definite status; there's no question of that.

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nough. John Maynard Keynes, best known for deficit financing of Re-emergent PM

by Colin James

THE PRIME Minister's "low profile" seems to be wearing

There he was taking ideswipe at the Japanese in the process of relieving Colin McLachlan from the task of announcing a tender for new railways suburban rolling stock. And, in other speeches, sideswipes at his advisers.

He has also taken up again one of his favourite sports: news media bashing. The Sunday News' anonymous political writer got a round in organisational side as far the Prime Minister's Truth column last week and the Evening Post's editorial line a what the party's dominion councillors, who are meeting

poke in the eye in a speech. Television reporters got this week with George their share for daring to take Chapman's future on the line, two cameras to record him make of that.

boarding a Government plan (in the middle of the fue crisis) to go to Auckland from Paraparaumu wher Wellington's Rongotal airport was closed. Later in the year there would only be one camera, he said ominously.

But there have been personal interviews with people ..who I know will deal with it in an even-handed way." One such was Cedric

Mentiplay of the Press, to whom he said this: "We keep the political side and the apart as we possibly can." It will be interesting to hear

EDITORIAL

FRIENDS of the Earth became distinctly unfriendly towards business executives last week when they called for a ban on company cars from roads at weekends and for the Government to stop companies giving employees cars as a salary "perk". They complained that users of company cars could fill both the company cars and their private vehicles with petrol on Fridays and remain unaffected by oli

They pointed, too, to taxation anomalies, claiming that a car amounted to a tax-free perk of \$3000 to \$4000 a year while the company owning the vehicle could claim generous tax provisions. A spokesman estimated that each company car deprived taxpayers yearly of morethan \$1000 in revenue.

Whatever their tax potential, there is no question that a company car's fuel consumption becomes particularly significant at a time of crisis. And there is evidence enough to wonder at the extent to which company cars could contribute to the nation's conservation effort. Before launching their publicity campaign to instill conservationist attitudes, Ministry of Energy officials conducted random interviews which made cle v the conservation record of company car drivers was poor. And the other day, a service station in Auckland disclosed that the accounts of a number of its client companies showed no decrease in fuel consumption.

It is obvious, too, that there is no incentive for company executives to cut company car consumption. Depending on company policy, it may be filled whenever the executive wishes with scant regard to cost, which is passed on to the consumer in the price of the company's product and is written off in tax no matter how the petrol has been used.

When the new OPEC petrol prices filter through, New Zonlanders will be paying an extra 6 cents a litre (making it \$1.73 o gallon) for petrol. Thus the new prices will act as a voluntary pricing restraint from which the company executive will remain immune. Nor is he encouraged to take a bus, a train or a car pool vehicle when transport to and from the office, for shopping and for weekend leisure is freely

The question is not whether executives should have perks, but whether company cars can make a contribution to the national good at a time when the community generally is being urged to practise constraint. The trouble is a lack of hard data. Nobody knows for sure just how many company cars there are, let alone the extent to which they are used for leisure rather than business activities. There is obvious scope for the Ministry of Energy to consider the company car among its conservationist options - but obviously it must call on other departmental resources to help with the figure work. For example, the Post Office could determine the number of company cars at registration time; Inland Revenue, with appropriate inquiries, could gauge the extent to which vehicles are used for leisure activities.

In the case of Inland Revenue, the exercise would be consistent with its approach to the sirport engineers, who threaten to strike eyes a travel allowance intended to cover distances from home to airport. Inland Revenue Minister Templeton has made clear it was a person's own responsibility to get to and from work, and that while some shift workers might be entitled to allowances, there was no reason for the tax man to overlook others.

But there is sure to be ahowlof protest from those who enjoy the free-car privilege. When Jack Lello, of the Auckland Civic Trust, undertook an informal urban transport survey last year, he was "stunned at the emotional rejection" he got when he suggested company cars be discussed. Similarly, a Radio New Zealand reporter received some angry and bitter izedback when he raised the subject on Morning Report last week. So who is willing to slaughter a sacred cow to put some beef into the conservation drive

RROADI.ANDS cocks a snoot Government in the April issue of its house magazine

"We have been censored". the front page heading reads. The article claims that because of a ruling by the Registrar of Companies under section 48 B of the Companies Act, Broadlands will no longer be able to "comment informally" in its newsletter on ways to save with

Instead they must advertise in the manner set out in the Companies Act.
"But", the newsletter said

"we consider that in a newsletter published by Broadlands about Broadlands we should be able to make responsible comment as and when we feel like it."

But the article went on to: say, "from the strictly legal point of view ... we cannot tell you, other than in an advertisement, what's in the

"But here's a picture of what it looks like. To find out any more you'll need to get a copy

Filling a quarter of the front page was a picture of the book. Over to the Registrar of Companies to decide if a picture of an offer constitutes an advertisement.

ONE of the high points of a visit to Whakarewarewa, Rotorua's thermal showplece, is an inspection of the Maori carving school where carvers reproduce ancient traditional designs with modern tools. The helpful guide explains; that apprentices may come from anywhere in New Zealand; are 15-17 years old when admitted to the school for their three years training; that the craft is reserved for the male sex only; and that only applicants of Maori descent are admitted. Now somewhere we read that discrimination in employment on the grounds of sex, race... aw. heck. who bothers with all that nonsense, anyway.

INDUSTRIAL troubleshooting could take on a new meaning if troversial 2,4,5-T. deputy Prime Minister Brian Talboys gets his way.

BROCKIE'S VIEW

BUT YOU CAN CALL

Secretary of im-

OUT THIS PREEWHEELING

MIGRATION

WELL WHEN MY

ROTARIAN MATES

SUGGESTED SHIPPING

GERMAN GIRL I

COULDN'T RUBBER

BANG! BANG!

YOU CAN'T ALLOW

THESE CONTINENTAL

WOMEN TO ROAM

COUNTRY AT WILL

OUR UNSPOILT

ME THE UNDER-

The other day at a Trade of determining truth, but a Promotion Council meeting in Parliament, the Bluff watersiders blacking of West German fishing research trawler, Wesermunde, clearly uncertain).

WITHOUT WORD OF A LIE

"It is a pity you cannot shoot people in this country," he said. High noon on the Bluff

NO sooner had Rob Muldoon stilled the flapping of the right wing at home and dismissed now know where to direct their international experts as desk lobbying if they wish to see a bound economists, than the barrage started again.

The German businessmen so pointed out that New Zealand would be a better place to machine.

shaky isles were going. Poor Muldoon must be

plain that almost everyone but potential customers. he is so wrong.

THE oh-so-precious attitude of some environmentalists is apt to do their movement more harm than good. Consider the seminar on

example. There was strong manufacturers of the con-

contribution from the company was considered inappropriate -- (inappropriate to what, of course, is rather

In the upshot, those who heard the company's presentation were told the herbicide would be restricted only when the Health Department banned it - and assuming vironmentalists are capable of absorbing that message, they

carefully wooed for their KNOW how to increase the German marks unkindly takings from your slot machine? Install another slot

ban imposed.

invest if it were not for our That's the marketing approach of Arnold and Wright the Albany Petting

well as public facilities such as "put down" their put reminded that rugby is second running out of insults, which in airports, railway stations, bus occasions - a fate? turn must be frustrating to a depots, automatic car parks doubt hasn't except person trying to publicly example and libraries, are seen as tention of Doctor Mit.

And according to Arnold and Wright, the machines offer the The machines are said to be section of the cirk. And to kick off the problems.

not only quick and efficient in which seems to begs professional promotion of the operation, precision the dissemination the dissemination that the dissemination with the treated Auckland media to a congineered for reliability, jam formation with the treated Auckland media to a congineered for reliability, jam formation with the treated Auckland media to a congineered for reliability, jam formation with the treated Auckland media to a congineered for reliability, jam formation with the treated Auckland media to a congineered for reliability, jam formation with the treated Auckland media to a congineered for reliability, jam formation with the treated Auckland media to a congineered for reliability, jam formation with the treated Auckland media to a congineered for reliability, jam formation with the treated Auckland media to a congineered for reliability. There are 34,100 rugby conditions the public of the publ herbicides the other day, for free and requiring little making the public k, pressure from some quarters heap of boasts in themselves... The Ministry of the presentation of a they also feature "robust and has made grant at they also feature "robust and has made grant at the boards and the boards are the boards are the boards are the boards and the boards are the boards are the boards and the boards are the boa paper by Ivon Watkins Dow, vandal-resistant construction, harbour boards and it easy loading systems, councils to support plan manuacturers of the concast loading systems, councils to support the figures represent a fall consorship of an argument is consure they are genuine, and reports for public in interest, but it will say they a notoriously unscientific way 'fall-safe' systems to ensure The grants (from \$

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returned i empty or if they lab 1800) were made to the Wellington, Hawke's Bay and Meriborough harbour boards 'fall-safe systems' a find the Porirura and to deal with fallurer transference city councils. Paristchurch city councils.
Dr Patrick McCombs, the the way it's recorded in

istry's maritime planning officer, explained: "The

ASENZ — the Association of the Survival of Est in Involve the public in planning for the Survival of Est in Involve the public in plannin New Zealand, and they have been proposed in the Coronnect to the soil in the Harbours' Act makes economic necessity of parbour boards and other local enterprise" — can in authorities responsible for ranks of the armchar managing the shoreline and and others deviced a castal water, and obliges cause of de-regolate them to provide facilities for restructuring the control tecreation and commerce.

Members "believels: "They must accommodate New Zealand econs, the multi use of the area in the survive, it is essent footble interest, as well as market forces be sincluded for its conservation in operate and all sections in the long term," said Mc restraints like present Combs.

fixing, import coma suther its study their coast and steadily abolidated and involve the public in the cording to group suther waying up their ad-

allowed to breathe"

high horse to apply

cording to group said and involve the public in Murray Sampson. Grawing up their administration policies."

The economy so ministration policies."

So now keep an eye on these and the Gulana has the best living standard in all South America and the lowest level of Sampson — in cases: local authorities — just to see forgotten — burst to headlines during the black in their money in the cause of cluction campaigns by public enlightenment. production. Restaurants in Cavenne lay the best table in the continent . . . everything is imported. election campaignable

protectionist economy.

At the same time the prestigious Australian Financel Review was telling Australians just how badly their country cousins in the machinesto Review and Clubs, Canteens, and Country Cousins in the country Cousins in t One out of two citizens owns

wasn't a New Zealander).

don't represent an increase.

reinstate rugby as the national

unlike doctors, when we'd have to be pepper anymore.
"Dut down" their pid reminded that rugby is second. The biggest business is only to God (apparently he administration - 11,000 out of the 18,000 workforce are civil The Auckland Rugby servants.
Football Union has hired a Imports cost Guiana about

would give them a great way to

let off steam and they wouldn't

have time to get into trouble.

"But generally, the game

The advertising strategy is

still under wraps—but

Auckland agency Smith

Doughty and Gerrard has

submitted a campaign outline.

LIFE is good for the 55,000

citizens of French Guiana.

It's 30 years since the last

Devil's Island and the

Guianians have developed a

life style similar to New

Zealand's — but without all the

public relations company and \$164 million a year. Exports chance to save money by WE'RE pleased to be an advertising agency to put cover only 5 per cent of this replacing expensive staffed climb off our officials balance of payments

So what is the secret of their great amateur game, it success?

The Ministry of E. Auckland district, and 300,000 to the same welfare benefits followers. But that's not good paid in Paris ... but the money enough for the Auckland goes a lot further in Guiana. New Zealand has a lot is common with this tropical paradise: imports overrunning exports: three hour lunches; at least a third of the "Part of our function is to work force employed by game," says newly-appointed P R Officer Mike Davis. Government in one role of mother; a large slice of the But the overall P R brief private sector engaged in

boils down to giving the game urenucratic paper shuffling a great big push—getting more bottoms on seats, countering bureaucratic paper shuffling; the fast-growing image that and dole payments that make ngby is a violent game, and putting Auckland's Eden Park back on the map as the only place to be on a Saturday afworking appear such a bore. benevolent country to adopt us as its colony. Any takers?

ARFU president Barrie THE controversy that blow up resulted in the police being Hutchinson says he believes around West German girl that to promote rugby is to Susanne Teipel wasn't the first perform a public service. sign that our Immigration "We've seen over a hundred Department is woefully gang members in court this week. Its too bad these Black ungallant when dealing with damsels from abroad. Power boys don't play rugby— it would do a lot for them. It Just a few weeks earlier, a

young American tourist had been arrested when she applied to extend her visitor's permit just a fortnight after her previous permit had expired. She was hauled into Dunedin Magistrate Court to face charges under the Im-

migration Act. According to her lawyer, the i9-year-old girl had been told on her arrival in New Zealand on January 1 that visitors from non-Commonwealth countries were issued with one-month permits which could be extended month by month for up to 12 months

The girl had gone tramping in Fiordland and had gone to the department in Invercargill when she came out of the bush on February 6.

It was Waitangi Day. The office was closed. So when she arrived Dunedin, she went to the department to apply for the

Do doubt to her dismay, this

whistled in on the case. The girl was hauled off into custody, photographed and fingerprinted.

The department had refused to extend her permit because it was "departmental policy" not to grant an extension after a permit had expired (although, defence counsel pointed out, there was nothing in the Immigration Act to indicate this should be the

The magistrate perceived that a conviction would bring consequences far outweighing the seriousness of the offence, and accepted the defence submission that the girl be discharged without conviction under section 42 of the Criminal Justice Act.

The Immigration Depart- not the first time the call has ment had sought her depor-

The railways, in fact, have Interestingly, in light of the Susanne Telpel affair, there than broadcasting. was a love element to the The department

Zealand with a man who was to 1936, and 1952 to 1957. on the axeman's circuit. Before, after, and in

been made.

She intended to accompany between these periods him to Australia late in March management has been the - but if she was convicted of responsibility of a single overstaying, she would not be permanent head accountable

permitted to go there now or in to a Minister.

that the South Island ferry

terminal might be moved t

railways to be made

Government corporation. It's

Martin again called for the

the Marlborough coast.

The nine changes in administration made no significant difference ROAD Transport Association operating efficiency. And the Royal Commission which president, R P Martin had good evidence to support his reported on the railways in claim that New Zealand 1952 concluded that "in the Railways general manager past, boards or commissions Trevor Hayward's ideas in the which have been set up to run discussion paper Time For A the railways have met with Change were "not worth the limited success''. paper they were written on". After all, Rallways Minister, Despite the observation, it McLachlan had been emphatic there would be no change of

recommended the creation of yet another board. We awalt with interest the ferry terminal to appease an aggrieved Picton, after

Government's reaction to Martin's plea. Hayward had raised the idea

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visiting American lass's plight controlled by boards from . . . she had come to New 1889 to 1894, 1925 to 1928, 1931 of the decision-maker medium. Heylan Research Centre, 1976.

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Fare proposals left hanging in the air

liberalise substantially its concessions. aviation policy were knocked back in recent talks by United

The United States wanted acceptance of its deregulation Zealand-United States bilateral agreement on

Although New Zealand was apply. New Zealand would proposed fares, United States not willing to accept the right approve fares out of New Civil Aeronautics Board of the United States to Zealand for the charter negotiators insisted that they designate as many airlines as operation. it choose, the freedom of those New Zealand was also rates, and the matter was left airlines to set their own fares, and the loss of local control over carriers activities generally, ou negotiating dividual tours.

All the was also the loss of local control charters on an advance-basis, and for individual tours.

The was also the lots of the loss of local control charters on an advance-basis, and for individual tours.

The was also their own fares, prepared to accept public charters on an advance-basis, and for individual tours.

It was willing to surrender flights and the fares to be charged, except for operations Despite being advised that from California where a New Zealand wanted to country-of-origin rule would Although New Zealand was apply. New Zealand would

prepared to accept one public ceptance of its "open slather" public charter plans.

Second, New Zealand officials were prepared to change their attitude on air

discuss Continental Airlines' were not ready to discuss

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told the CAB it would approve industry would benefit. reasonable fares for Con- Air New Zealand would still and Air New Zealand.

petition among airlines.

agreement, New Zealand is market. entitled to evidence that the One New Zealand official fares are not predatory. But commented: "It makes a By the end of last rain agreement suggested by the enterprise."

This offer was rejected out of hand by the United States side,

Previously, all carriers fares were contrary to the Asked to provide the same fares, but public interest charged the same fares, but public interest

New Zealand is now willing to shift from this stance to fit in United States substitute for the with United States policy present mutual approval objectives of greater com- clause a mutual-disapproval clause, the effect of which Once again, a country-of- would be that anything is in origin rule would apply. New unless both countries say it is Zealand has already received out.

agreement from Pan Am and New Zealand would have to Air New Zealand for common give up its present dimited) north-bound fares, and has rights of control over airline turned down Continental's activity. The United States did not

Both existing operators have offer New Zealand anything in also agreed on common south- return for accepting the bound fares (although these changes outlined, apart from are different from the north- ideological assertions that the bound fares), and New Zealand local consumer and the fourist

tinental even if they were not be allowed to carry United different from those of Pan Am States domestic traffic from Honolulu to Los Angeles (or The only catch is that the through to New York). fares must not be uneconomic. Deregulation and competition or predatory on the existing among airlines does not extend to foreign airlines competing present in the United States domestic

under changes to the bilateral mockery of their claims of free aurtine had not girl

United States, New Zealand Nor did the Americans try to direction, and the brain would not be entitled to such justify Continental's fare officials' talks has Exevidence, and would instead proposals beyond asserting audine in a curiou ga

evidence that Conlet cheap fares would not es Zenland, the CAB dedprovide any details.

maintain that wing

promotion or marketage

Continental's services :..

the series of negotiations the The CAB negotiata CAB is conducting with foreign sisted that under their countries is to give the United and under the blu States the right to designate as ngreement, as they vot; many airlines as it likes to fly il rewritten) the fares the from the United States to those by an airline would nothing to do with the (c The information is contained New Zealand off. in a seven-page memo to the

way in either country at the start of Contine aviation, Micheal E Levine, in which he discusses negotiating Services in May, fars: strategies for northern and he designed to hive of e southern Europe. airlines until the t The tenor of the report and lucrative summer to its recommendations support scason approaches. the widespread feeling in Although vehementia. many smaller countries that the new United States policy of by Continental thus. persistent suspicions e deregulating the airline for al travel industry para dustry is just a disguised way that the May start-upon of letting large United States

> February 26, 1979, about a fortnight before the United States and New Zealand resumed negotiations on

airlines dominate the world

States Civil Aeronautics

Bureau supports widespread

suspicions that the new United

States aviation policy is

designed principally to benefit

CAB from the board's director

of pricing and domestic

countries one by one for penetration by United States airlines carrying the low fare

The report identifies various

strategies for picking off

The report says the aim of Once playing a leading role in the market, those airlines will then be able to influence more strongly the shape of the market and its ultimate profitability. With world tourism growing

by an average of 8 per cent a year and trans-Atlantic business by an average of 15 per cent, pursuing an objective of gaining market share before im mediate profit maximisation makes sense. Levine says: "Multiple

designation (without capacity or route restrictions) will naturally tend to create the market forces that will lead to growth and the existing competitive prices. This is because some carriers in through market dominance. trying to establish themselves in a multiple competitive environment will prefer pricing strategies to service strategies. It will be politically difficult for a government to keep rejecting low fare of-

Stripped of the jargon,

Pago connection

of the agreement.

That would involve both Governments' appointing an arbitrator, and the two people appointed choosing a third to make up a three-person panel

The United States Civil Aeronautics Board is backing Continental's action, and has told the New Zealand Government so.

Seemingly there would be nothing in practice to stop Continental going ahead with its plans to sell its \$71 Pago Pago-Auckland fare, although

> ommercial and Industrial Selling - Leasing Phona 726-209 Wellington harcourts

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o-operative principles which

bitration on whether Con- the New Zealand Government tinental's actions are a breach could stop that and other cheap States carriers can operate fares being sold here. It would be an interesting

legal point if Continental sells the airline of the host country (as it says it will) a cheap but eventually aiming to round trip fare Pago Pago- dominate the market. Auckland and return. If it's not a legal fare in New Zealand, will a traveller be allowed out of the country on it?

Although this has not been officially mentioned so far, the present bilateral also provides for a government to take appropriate action against an airline breaking the terms of the agreement. That could involve groun-

ding or seizure of the offending aircraft, as has happened in other parts of the world, notably the United States. So far, this clash has not Levine says this morthern) been resolved, and has to be summer the British will be

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US aviation: spreading its wings worldwide principal gateway, London, expense of their smaller developed than the United now that the United States has national airlines, and that the States'.

got cheap fare agreements with Holland, Belgium and "The United States may have the maximum bargaining leverage and most favourable political climate to orchestrate a denunciation followed by

The recently concluded

petition between France

wholesalers on behalf of the

cheap fare agreements with Germany, Holland, and

Am is willing to play along. Talking of southern Europe Levine says that cut price

moves by Olympic Airlines of Levine is saying once in a free Groece result from "their well market, airlines can drive founded fear that other prices down desplte any wish gateways will attract traffic by governments for a more

The low fare device is therefore aimed at securing a market share—both of real market-before profit taking

The report identifies a 20 year time span achievement of CAB objectives in most market places.

In brief the method is to preach deregulation of bilateral agreements aiming to do away with controls by governments on capacity frequency of flights and numbers of seats) and on air

consequent need for those

countries to avoid diversion of

traffic to prevent damage to

the local tourist industry-is

identified as one useful

strategy for forcing low fare

agreements on European

airline. The wholesaler buys a bulk allocation at a discount guaranteeing the airline Once a foreign government revenue, and it then retails the has consented to this, United scats (still at a discount) to the pretty much as they choose, initially sharing traffic with However, but once countries accept these as part of deregulation, Levine says,

the United States could later unilaterally authorise the Typically European counretailing by airlines of charter tickets to the public . . . the airline, rather than the several simple result would be an open. flying international routes from the United States. Competition among

Many countries fear that European gateways - and the competition would be at the much less economically States state machine.

United States plans to end large numbers of scheduled services as they operate at the present time by this device.

in the new agreements. The one preferred by the United States is the mutual successful negotiations disapproval rule which means resulting in a competitive any practice is all right unless agreement." Levine says Pan both governments move against it.

> In effect it gives the United States a veto on vetoes by other countries, and therefore States airline might take regardless of the damage that action might have for the other country's airline or local tourist industry.

The second rule is the country of origin clause where Belgium, and the existing each country controls fares and capacity out of that and Italy, together with the worries of Southern Europe country.

about missing out, will create "a de facto competitive regime", Levine says. with the United States. In both cases differential fares are in The United States is also pushing for public charters to into the country than out. be accepted by foreign

Controlling the local market Essentially these are place may or may not be a scheduled services with the successful venture depending tickets sold in advance by on the availability of cheap fares in a nearby country.

> denunciation as a useful strategic tool. Denunciation involves howling down another country's opposition as restrictive and anti-consumer Levine suggests the tactic could be applied to negotiations with Australia, New Zealand, and Japan.

Department of State argument denounced should be one of a

This is to avoid charges of racism and imperialism

Levine says: "If we first denounced an agreement with Two rules are being offered one of our European brethren other nations more remotely should correctly interpret this as a signal that the United States is now willing to denounce bilateral civi aviation agreements. The symbolism of this first act, of and in itself, should be helpful to other negotiations in progress in other parts of the

world, especially Japan". The report continues that the cerned with market results than with written agreements: "We do not feel impelled to reach unsatisfactory written agreements just for the sake of

concluding agreements. "It occasionally will be necessary to meet with other countries for foreign policy have these sorts of agreements reason unrelated to civil aviation, and with some cultures it may be necessary to force making it cheaper to fly hold interim social meetings as a prelude to meaningfu negotiations.'

While the whole document is not directly talking of New Zealand, its intent is clear. The United States should pursue its policy of deregulation on a The report goes on to support country by country basis, and then its airlines will be able to penetrate the cheap fare market place building up the momentum of the free market

The fear is that in a free market as envisaged by the United States, power and profits; will flow to the stronger at the expense of the Levine notes approvingly the weaker, opening these penetration and exploitation by unscrupulous United States predominantly European based multi-nationals backed background and not one "very by the might of the United

drive as it continues.

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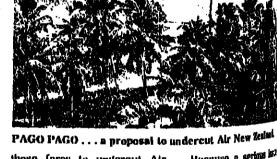
general motivation...

Continental plans to picky NEW ZEALAND officials are

treating seriously plans by Continental Airlines to use United States domestic fares to get around the New Zealand Government's refusal to approve its cheap fare plans. Continental is due to file a

new fares application following the breakdown in recent New Zeuland-United States aviation talks, and New Zealand's refusal to approve fares sought by Continental. It is likely that Continental

will seek approval only for fares from Pago Pago to New Zealand, using American domestic fares from Honululu to Pago Pago to complete its South Pacific (are package.



New Zealand has no control those fares to undercut Air over fares from Honululu to New Zeulund and Pan Am's principle is involved Pago Pago, because both agreed fares is being treated Zealand could exceed points are part of the United as a breach of the bilateral right under States. But the proposal to use agreement.

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Commercial Interior

Months of Radio Pacific razzamatazz fizzles Radio Hauraki binds itself with profit jump

RADIO Pacific's April Fools Day revolution was postponed last week just two days after Auckland papers carried halfpage ads stating, "the revolution starts Sunday".

managing director Gordon increase from 50 cents a share to \$1.20, Dryden told staff: "The revolution has been postponed due to a lack of big

The big guns lacking were the new station's transmitter did not arrive in Auckland till

The \$90,000 worth of electronic gear was shipped from Dallas in plenty of time. But the Texans packed the gear into a box suited for a 747 - seven inches too big to fit through the cargo doors of the California to Auckland.

The transmitter had to go back to Texas for repacking Auckland the Radio Pacific board decided there would be ufficient time to install it training time for the April 1

Review-sponsored Business

Management Game, 1979, are

running well shead of the

entries for this time last year,

according to game ad-

"It seems that more com-

panies and individuals are

coming to realise the executive

training benefits of business

management games where the

skills required to run a

business in today's complex

economic conditions can be

learnt as realistically as

As well as many new entries,

anagement Game coming

from companies which have

had teams competing in the

said, it was interesting to note

that the team members were

executives who have taken

part in previous years feel that

the experience gained has been worthwhile and they are

now encouraging other executives to take part and

Last year's winner of the

national game, a team from Putaruru comprising veterinarian, a cartage con-

tractor and a town-supply

dairy farmer, showed that the

game also took into account

business, a number of farming

leams have entered this year

and they, and the other teams

should make it an interesting

has been enhanced over the

last few years to keep pace with rapidly-changing

today's business world.

Particular emphasis is placed

on cashflow management,

which is obviously highly

appropriate to today's con-

Competitors have to make

methods and conditions

contest, Dr Jameson said. The game is run on a com-puter financial model which

Keen to see how they would

learn from the game.'

entrepreneurial skills.

Obviously company

there are many entries for this year's ICL Business

possible, ' he said.

ministrator, Dr Michael

Computer games

ternational Computers (NZ) marketing, transport, Ltd—National Business research and development

The opening was not the only promised to launch New Zealand's biggest circulation newspaper to coincide with the

The printer's strike put paid to those plans after the first iasue had been more than half The paper was postponed

because Radio Pacific the presentation was directors didn't want to start unprofessionally long, and off as strikebreakers.

circulation giveaway Real throwaway, it has a bigger circulation (250,000 versus 243,000) than Dryden's proposed paper. And, it best Dryden's deadline by more

Dryden says he is getting good advertising support for the station. But there have

Radio Pacific falled to work

factors including pricing,

expenditure, use of consultants

and financing production.

Four or five teams are pitted against each other in a con-

current series of games, and

the decisions they make in-

teract with the other teams

decisions. The winning team in

cumulating the highest tax-

paid profit over the course of

the round. If conditions are

particularly adverse, the

making the smallest loss.

winner may be the team

As administrator, Dr

Jameson has a number o

control factors which can be

varied to change the

economic conditions im-

posed, the effect of pricing,

marketing expenditure, and so

on. These are set to follow

approximately the economic

trends indicated to competitors as being likely to

game conditions parallel the actual or predicted business

conditions in New Zealand at

the time. Contestants, like

many New Zealand business

people at present, could find the going pretty tough this year," Dr Jameson said.

The game consists of three

run from April until Novem-

ber. The winners of the in-

dividual games in each round

go on to the following round,

making a fresh start with different economic conditions

The teams are divided into

four regional contests covering Auckland, Central North

Island, Wellington and the South Island. By the end of

the third round, the regional finalists will be known.

The four teams will then

take part in a day and a half national final held in Wellington at International

Computers' offices, where processing of the decisions will

be carried out on the com-

As regional finalists, all four

teams receive a cheque for

\$200. The winning team at the

national final receives a

cheque for \$1000.

pany's ICL2904 computer.

"I usually try to make the

occur during the round.

opening.

South Pacific Television... McNair survey.

Some Radio Pacific staff are contra, it seems, is granted

To exacerbate matters, only to other state bodies, such only to other state bodies, such on a collision course with the as Radio New Zealand, now on a collision course with the

postponement. Dryden sceptical of Radio Pacific, As) drink and food, but singularly advertising

Critical consensus was that didn't give advertisers an

Ratings and audience reach A lot of the brouhaha are paramount to ad men, and target audience and share are

that SPTV is up and going.

Association of Accredited
Advertising Agencies (the 4 partly because the concept of a Radio Pacific ad men have

talk station is an unknown been upsetting 4 A's agencies quantity, and partly because the recent Radio Pacific promotional evening held for deprive them of their 20 per advertisers left them full of cent commission for placing

probably be heard at its

scooped on that score when Roger Smith, of the Howick and Pakuranga Times.

Accurate picture of just what the been approaching clients direct, but denied that these clients had been offered rates

stemmed from a finance house the agencies are unsure of just wishing to sponsor Tim who will be listening to an all-lalk station. Radio Pacific's programme. The advertising agent handling the finance house's account felt it was Dryden said Radio Pacific being cut out when Radio would be included in the next Pacific went direct to the

GORDON DRYDEN sponsorship contrary to the

agency's advice.

Radio Pacific's enemies are gloating with comments, like:
"The higher profile you adopt, BCNZ survey. In addition the client with a proposal. gloating with comments, like: station might contract its own Dryden said the client has "The higher profile you adopt,

JUST too successful for its own — now Radio Hauraki good — now Racio Hadraki finds red tape has it in a real

A combination of Government bureaucracy and the legacy of its uncertain early years has blunted the Bidwell-riedlander-Myer success story in turning the Auckland private radio station's fortunes

The unexpected disclosure that Hauraki Enterprises Ltd was in strife with the Department of Trade and industry over its profit levels caught company chairman Peter Dew and the Aqua Securities Board faction completely by surprise.

The company's sharp response — a heavy lean on permanently beleaguered Trade and Industry Minister Adams-Schneider — was the latest in a long line of political and legal approaches, which natic of what could be Hauraki's biggest short-

That seemed to be the

jump between the 1977 and spawned the company's name 1978 years, on a turnover change — the "Enterprises"

asking for — the \$275,128 net profit and the \$1,286,916 turnover put the first-established of the privates up in the same success league as Radio Avon.

It was achieved It was achieved by disciplined management and stringent pruning of overheads -a cutback process that to many non-business observers seemed too severe especially shareholders and perhaps in such areas as the station's even the Stock Exchange news coverage. But it dispelled suspicions

likely

Association to revelations of

from

matters germane to Hauraki's enshrouding the Aqua group's operations, which had been shadowy presence kent under the tightest of suspicions that were further fed by the Bidwell-Charles Bidwell and Friedlander spearheading of Michael Friedlander, the two key moneymen in the now disbanded Aqua consortium that bought in and baled out Hauraki, the situation is even the persistent rumour of an informal tie-up with Sydney

The accounts told their own media magnate Kerry Packer. The Aqua influence also

showing Hauraki's determination to diversify out The result was exactly what of the finite profit area of the shareholders had been single-station private radio single-station private radio into potential money-making sidelines such as live

> And then — sparked off by a chance meeting between new company executives and the ment to find out official requirements, and sharpened by the apparent failure of the former management to reply to inquiries or file profit returns — came the in-

And that's where the success story came unstuck. Hauraki. under the price and profit control regulations, was bound by its performance in the years from 1971 to 1974.

Those were years of seesaw ratings, management and poorer returns than the company's potential really merited. The average net profit was 8.5 per cent — and that, according to Trade and Industry, is what it would have

officers could have good lowering of advertising rates excuse for feeling sore at the company's sharp response to the newspaper disclosure and the internal witch hunt it set

After all, they believe they were sympathetic to the company's plight and that the way was open for the station to have applied for a higher celling far earlier in the piece.

procrastination, it didn't and the rules are the rules. It has been revealed, however, that the company has now been allowed a 32 per cent profit ceiling - and 32 per cent obviously is the figure the department believes the

company actually made in profit for the 1978 year. The annual report, however, fixed it at 21.8 per cent, although there is no indication Hauraki has turned down the department's liberalised figure and insisted on the lower 21.8 per cent ceiling.

At issue, of course, are interpretations of what are allowable costs that do not directly affect productivity

investigation started Hauraki capital expenditure programmes which it hopes will be allowable as bona fide nonprofit-bearing expenses.

between the estimates of profitability could well be explained by the company's nullay on a computer for its accounting, costing somewhere between \$80,000

The emphasis on conoption left over to the Commerce Commission or other administrative or judicial processes.

Hauraki and other privates – Radio Avon in particular see the bureaucrats pursuing a test case that might be intended to open the floodgates and bring private radio financial affairs right under Government scrutiny

The department's suggestion for amends of

rate is \$42, well under the peak If officialdom forces Hauraki to drop its prices, the whole competitive balance

between the stations (and others less successful in the Auckland area) would be

chairman Ian Cross, who has backing to Hauraki's behindthe-scene campaign to hasten along the removal of "category B" profit controls.

The BCNZ, which has been meticulous in its adherence to the rules, doesn't want to be follow Hauraki, especially in the only time zone (breakfast) in which it had a clear ratings

If Prime Minister Muldoon acts on the hint he has given, that controls will be lifted Hauraki hopes this will persuade the department to drop any charges that might be laid against it.

The key issue now is: when? If Muldoon holds it over to his Budget the processes may be too advanced for the matter to be dropped quietly, as all

parties would seem to like. It now looks as if Hauraki might have overplayed its hand by putting the heat on Adams-Schneider's depart-

sequences also differs. The yel unother leak would hardly have endeared Hauraki to him as he moved to press his Cabinet colleagues for an earlier lifting of controls.

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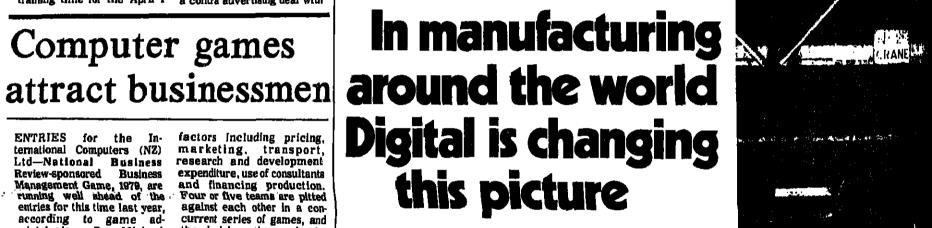
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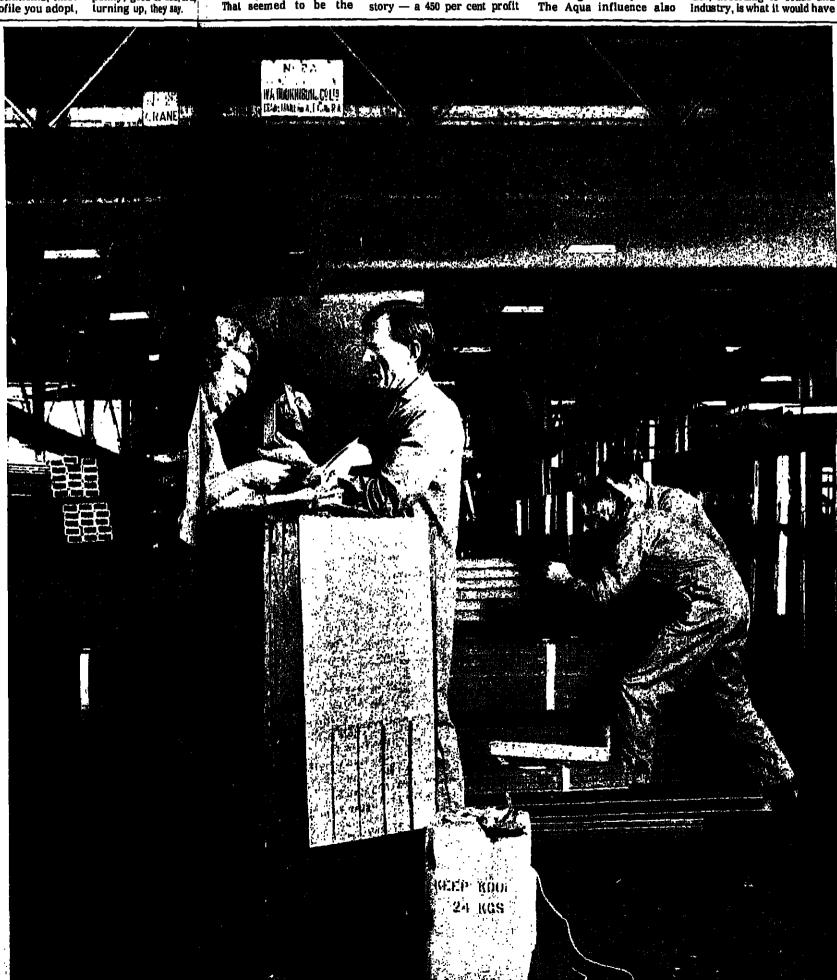
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Duties and levies flaw jewellery industry

THE New Zealand jewellery manufacturing industry has more than doubled its exports over the last three years. And it is headed for another record opal rings to the Australians and Fijian souvenirs to

But two dark clouds loom over the industry's comparative advantage over its

The first is the high duty rate second, a levy on gold to gold producer—the Kanieri Gold Dredging Company.

The gemator luty is the most formidable impediment

cent duty on gems imported from developed countries and 10 per cent on those from developing countries.

Duties were increased from 15 per cent and a nil duty

In theory, local manufac-turing jewellers can recover exported—the duty paid export year through such unlikely activities as selling than a short-term cash flow

taining the duty drawback are The Department of Trade

If, when the manufacturer our three bullion merchants imported his own stones, he (one of which is a Brierley told Customs that the gems were destined for re-export, he would have little difficulty getting the drawback.

The imported value and duty paid are not usually divulged sources and markups. Thus, the exporter has no

On top of the gemstone duty,

Amoil (NZ) Ltd. is part of the Brierley Investment Group. In spite of an increase in the world price of gold from \$35 an problem. ounce to the present \$232, But the administrative Kanieri claimed it could not continue without protection.

such that few jewellery ex- and Industry set up a subsidiary). Kanieri produces about 6000 ounces a year, or about one third of New Zealand's needs. The bullion But most jewellers buy their merchants were to take all of stones locally from importers. Kanieri's production before

to the end-user, for fear of Kanieri subsidy making known market (euphemistically called a "premium") into a pool on every ounce of gold they buy, basis for obtaining the whether or not it is imported or

Trade and Industry opted jewellers must pay a 40 cents a out of handling the pool ac-Australians, who are our gram surcharge on their gold count, and turned it over to The subsidy can be biggest market and com- to subsidise New Zealand's Wellington accountant recovered by the jeweller

\$1,452,555 to Dec. 1978-79 + This figure refers to the June-September quarter only Source: Department of Statistics

FOB values

\$1,031,886

\$1,697,079

\$2,155,576

This disadvantages him by

causing a cash flow problem

The local consumer bears

If a larger proportion of the

payments would have to be

increased, thereby pushing up

product. The greater the ex-

Graeme Hall, of Martin Jarvie when he exports his product. Underwood and Hall.

June Yr 1975-76

June Yr 1976-77

June Yr 1977-78

First half-year

The subsidy is intended to make up the difference bet- between the time he purchases ween the world price and the Trade and Industry approved receives his price for Kanieri gold.

The amount of the subsidy has ranged from 24 cents a the brunt of the subsidy, along gram to 48 cents, according to with the jeweller who produces fluctuations in the world price

The current subsidy is 40 gold sold were exported, the cents a gram, or \$12.40 an drawbacks would diminish the ounce. The maximum subsidy size of Kanieri's pool. Subsidy allowed under the agreement is \$15 an ounce. As Kanieri produces only one third of gold the price of the domestic used, this brings its subsidy up

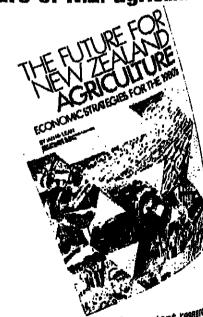
> he home market Apart from the Kunteri afford to the up large 121 subsidy. New Zealand bulk buying, use it.

Trade and Industryer port effort, the more the local consumer will be expected to exporter can obtain at pay for his jewellery, and the licence for an act harder it will become to sell on — amount of gold expost only large firms, sta:

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McLay begins to ease off red-tape noose

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\$3,601,505

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licence, it is missi

There is one brights:

the local manufacture of

Australia, and these

alloys form the build

WHEN Trade and Industry Miniater Adams-Schneider announced the publication of a further list of goods proposed for addition to Schedule A of Nafta on July 1, he focussed on yet another example of business affairs bound up in

The list of nominations for the 19th Review of Schedule A mprises 23 items in terms of New Zealand tariff. "Companies wishing to

make representations either for or against the inclusion of a particular product in this ination list should forward their representations to the Bag, Wellington, by 18 May 1979", the Minister solemnly "Where there are objections.

the appropriate enquiries will ment will report to the Government on the outcome. implications of

Schedule A inclusion for domestic manufacturers will be fully evaluated. Where there are no objections to the e added to Schedule A on July

another exercise to keep businessmen busy promoting and protecting their trading interests, and bureaucrats busy sifting through the resultant paperwork while they pave the way for the next bout of Nafta Ministerial talks.

The first task for the to find out which 23 items were nvolved. The Minister didn't name them, but said they would be published in the New Zealand Gazette on March 22. Alternatively, copies of the list could be obtained from offices of the Department of Trade

But coping with Nafta is a simple task, compared with the demands of complying with price control regulations which belatedly are being dismanifed

The basic price curbs were tucked away in Part IV of the Commerce Act 1975. Superimposed on this was the Stabilisation of Prices Regulations and the remnants of the Price Freeze

In the five years from 1972 to 1977, there were 39 amend-ments. And in 1973, 20 sets of egulations were promulgated. As Wellington lawyer Ian him looming as the first ef-

ADMINISTRATION

McKay pointed out in a speech in July last year: "There are provisions in the now current Secretary, Department of regulations which refer to the Trade and Industry, Private prices that could be lawfully charged at the date of their commencement, so that it is sometimes necessary to go back into the repealed regulations in order to

ascertain the prices that may lawfully be charged today. If price curbs did anything for better business, it was for the better business of the lawyers called in to explain what was what, and of the civil servants who helped create and administer the controls.

McKay made this clear when he asked his bemused audience: "How many supstatutory regulations, in- state departments. pliers of services appreciate the fact that admissible costs

include only part of the wage increases since 1974, and that the case of a supplier of group services, so much of the increase as exceeds 6.25 per cent, but does not exceed 11.25 per cent, and in the case of group 2 services so much as exceeds 9 per cent but does not exceed 11.25 per cent? Has there ever been any attempt to enforce these regulations, and has the department ever been provided with the resources to

That was just the sort of thing that has set the Chamber of Commerce into its continuing campaign against the choking of business by red

tape. With regard to a wider public, the Labour Party has bccn amassing evidence on the extent to which society is burdened by a plethora of legislation and regulation.

While the critics have been loud in their cries for reform,

few may have noticed one Government politician shaping up to do something about it. Two announcements by Justice Minister McLay had

fective reformer in the port-folio since Raiph Hanan. In a nutshell, McLay struck two blows for common sense and the ordinary citizen. First, he announced details of a new streamlined method of reprinting public acts of Parliament. The first four

volumes of the new reprint will be with the Government "Many of the existing volumes of statutes contain much 'dead' material legislation which is no longer in force. The new series will

reduction in the number of volumes," sald McLay. Example: the 'live' content of the 16 volumes of the previous 1957 reprint will be compressed into just three

The Minister said it was intended that by 1983, all public general acts would have been reprinted in the preceding 10 years. Once that point was reached, a continuous reprint would be maintained, with earlier volumes being progressively

The Minister said he was also considering ways of improving the availability of law not administered by other

he is encouraging a clean-up of

This involves revoking obsolete regulations and consolidating or reprinting a example, it seems that a consolidation of the Incorporated Societies Regulations 1938 is well overdue and I have authorised preparation of such a con-

that the Law Reform Council will meet next Tuesday for the first time since July 1976. "It is important that we get

McLay said, then.

Often the best type of law reform can result from a decision not to pass legislation. At the same time we must accept legislation for improving and modernising those The Minister of Justice in New Zealand has a particular responsibility to bring before Parliament proposals

for the revision of the common law and that part of the statute

JIM McLAY . . .

He is helped by five standing These committees consider topics referred to them by the

Until 1975, the Law Revision Commission similarly helped the Minister. But it was replaced by the smaller and more informal Law Reform

The council comprises the Minister, the chairmen of the five standing committees, and

the permenent heads of State agencies involved in law reform. Its aim is to provide a means of communication among the committees and with those involved in the implementation of their

Purging the statute books will be among the problems McLay will discuss with the

Law Reform Council. He is likely also to raise the question of court sentences. He has made clear his support for the idea of facilitating payments of restitution and reparation so that offenders can be seen to be repairing harm done to victims

McLay also wants the courts to have a broader range of sentences from which to choose when dealing with offenders, and favours a sentence of community service to "help to instill a sense of responsibility, particularly in

the type of law reform that the appreciate and, I hope, agree

"In fact, it represents constructive response to the

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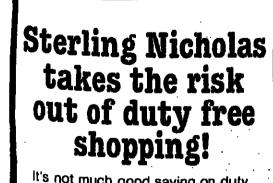
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Auditors need to count angels on pinheads By Peter V O'Brien THE March issue of the Accounting Justiness review, All and in the past," Given the present state of the accounting and auditing arts (overlaid on the supposedly "scientific" and the supposedly "scientific" and the counting proposedly "scientific" and the discussion who can be heard understand the counting proposed profession who can be heard profession who can be heard understand the discussion of the company". Sometime and debilitation of said understand abilities for with lists of mustions and suddivers and counting proposed profession who can be heard additions and suddivers and suddivers and counting proposed profession who can be heard profession who can be heard profession who can be heard additions and suddivers an

Oil price hike reflects into NZ trading

THE OPEC oil price increase has implications for New Zealand beyond the extra \$130 million a year which Energy Minister Birch says will be the additional cost n overseas funds on an annua, basis.

The reaction of overseas money markets to the announcement will also influence all our trade activities and the balance of payments. The the United States dollar fluctuating movement of the traditionally weakens against United States dollar against other currencies, particularly other currencies affects our the yen, Deutschemark and,

external reserves, due to the depending on other relationmethod of payment for both ships, sterling.

The present situation, of a When oil prices go up, dollar weakening against these

OVERSEAS TRADE

what happened three weeks Japan, and it was felt that countries, and the non-existent and 25 per cent of total countries. ago. At that time the Bank of inflationary pressures on the Carter energy policy, aftered account payments. exercise to stop a rise in the dollar against the yen, but falled to achieve its object.

The Bank of Japan in one day sold \$US600 million on the Tokyo forsign exchange market, compared with its previous record intervention of, present level of \$24,000 million under pressure the following \$200 million in 1977. The total traded in Tokyo on March 14 Reports from Tokyo said was \$1100 million, compared that the dollar had gained a November, 1978, according to record low of 175.50 yen. news reports from Tokyo.

per cent guideline which the from 206.33 yen to 205 90; from Government has set for 1979. 1.8640 marks to 1.8585, while Japanese authorities sterling moved from \$U\$2,0430 suggested that the oil com- to 2.05 in about three hours. panies' move could lift the Goldalso moved up against the country's oil bill from its dollar. The dollar was again

Japanese economy would push the movement last week.

price movements beyond the 5 On March 26, the dollar fell

to even greater heights. with a record for the market of total of 32 yen since October, \$1380 million traded in 1978, when it was trading at a

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was becoming very clear.

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your country.

effect on our balance of The position has changed payments position. United States oil companies since then. The OPEC decision. The overall value of the New were taking steps to cut back possible movements against Zealand dollar is set according to a formula which weights a

> the countries concerned But we pay considerable statistics, as opposed to it amounts of United States Department of Stalistic dollars for imports, although not all the goods are of formaion. American origin, and we receive another sizeable dollar - cause of the hefty amount of sum for export business.

day, after a slight recovery

seem only the affairs of the

esoteric International money

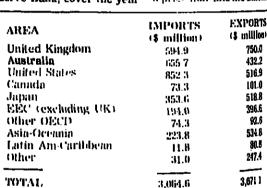
markets, they have some

"basket" of currencies, based

on our trade relationship with

While these movements may

out in United States dollar The latest figures for the Most of the oil imported to Most of the oil imported the oil imported to Most of the oil imported to Most of the oi Overseas Exchange Tran- Zealand is settled in the sactions, published by the States currency, and therday Reserve Bank, cover the year a price like lifts the amount



tatul import bill. A deterioration in

the payment, against &

Last year NBR's Economis

in oil prices imposed by OPL

The figures show that

currency fluctuations may

cancel each other c

which are fairly evenly spec

among the major tradiq

partners (United Kingdon)

Australia, United States, at

Japan), but the impor

Payments to the Unio

States are expressed in

country of currency, ritte

than country of the got

origin, although it has been

suggested that the No

Zealand authorities mid

move to publish country &

origin figures in the XII

balance of payments it

Oil imports are the mi:

situation is different.

in relation to export receipt

ended December, 1978 In that dollars needed to cover year 14.1 per cent of export receipts were puld in United States dollars, and 14.6 per dollar's position means h cent of total current account after allowance for tel receipts. Chose figures ex- weighting, this country "invisibles" tran- have to find less funds to con On the import side, 27.8 per actual percentage me

Australia United States

Other OECD

Asia-Oceania

Canada

Other

TOTAL

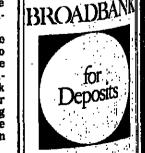
cent of total payments were

Clarification

Correspondent suggested New Zealand should sloth oil when the United Subdiction of the Collar falls. That advice is IN an article last week not heeded, but it would be regarding a new rule to cover off market sales of shares, the saved considerable over case of the Ceramco-Brierley exchange. Investments deal with Tappenden Holdings shares was given as an example of an off market sale, which should b reported to the Stock Ex-

It has been advised that the sale of Brierley's shares to Ceramco was made on the same day as the announcement to the Stock Exchange of Ceramco's bid for Tappenden, therefore meeting the requirements of the proposed new rule set out in the article.

The point is taken, in that case, but other examples of such transfers illustrate the need for a new procedure.



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fig. . the prospect of being eaten for breakfast is far greater in Auckland. New Zealand, than in all place I have seen in all the world. 33

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Cost Accounting: The Audit of Fixed Assets, by J G Ackerley and B R Dixon, of Walkato University's Management Studies department, includes "It is inevitable that the

auditor's final judgment of financial reports will be based on more subjective evidence

certificates that "proper books of account have been kept ... "more subjective evidence" to set out various alternatives for reach the "auditor's final the valuation of fixed assets the statements have been judgment of financial prepared in accordance with the provisions of the Companies Act 1955, so as to give a true and fair view (our emphasis) of the state of affairs and the results of the

company dealt with thereby

reports". Much of what appears in the accounts of companies at of different classes of assets. present is based on a mass of But their comment on "subjective evidence", to the "subjective evidence" is extent that numerous balance sheets can be drawn up from the same raw financial data. Valuations, provisions, treatment of doubtful debts. leases, movements in reserves (whether items are revenue or capital) and other issues nappily engage auditors in financially rewarding hours, while testing the patience of latter may have many motives (some occasionally ulterior) to insist on the prevalence of their point of view. The rogues who pop out from the near future). auditor's final sanction is to various holes from time to The final development could

under current cost accounting procedures. They have made a valid assessment of treatment followed by this intriguing

developed and improved with education in CCA procedures and experience in the clients' financial affairs and operations. The end being sought is relevant and reliable financial information and auditors must strive to meet

Few people in industry or commerce would disagree with the end, apart from the tag the accounts, although time, but that "improving be a revival of the system of there are cases around the judgment" brings several mediaeval disputation — a

with "ideas above their

commerce courses.

revival in student numbers. Various professors of philosophy, classics, linguistics, music, and theology will be pleased to provide the traditional regimes for the development of judgment in the budding auditors. We may even see a revival of Rhetoric Aesthetics, and Poesy in the interests of a

(A good dose of arithmetic, spelling and reading would not go amiss either, but there is little chance of those tedious subjects gaining popularity in the near future).

well balanced profession.

practice which already has the discussions between auditors and

argument about how many angels could stand on the head of a pin, the development would be appropriate. station", particularly the would be appropriate, products of university A recent British reference points out that The ancient university the disputation had nothing disciplines could be set for a to do with a sterile stand must be either finite or infinite. If the number could be calculated it suggested a limit, and therefore led to the proposition that such beings were material. That would have profound impact on the beliefs of those days.

Since auditing attempts to financial data, and now apparently requires more subjective evidence and udgment, the curriculum advisers have new scope in their attempts to Irain

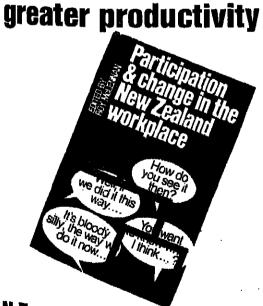
Exchange rates

As at 30 March 19	79. \$1NZ is	Italy	876.98
worth:	-	Malaysia	2.2916
Australia	.9410	Netherlands	2.1019
Britain	.5106	New Caledonia &	
Canada	1.2197	Tahiti	81.23
Fiji	.8690	Norway	5.3146
Japan	218.28	Pakistan	10.27
West Germany	1.9500	Papua-New Guine	a on ap
USA	1.0502	plication	-
Austria	14.25	Portugal	50.25
Belgium	30.85	Singapore	2.2692
China	1.6276	South Africa	.8798
Denmark	5.4160	Spain	71.78
France	4.4878		n application
Greece	38.05	Sweden	4,5641
Hong Kong	5.1559	Switzerland	1.7639
India	8.4497	Western Samoa	.7524

Kay indicator

<u>Key indicators</u>		CURRENT PERIOD	PREVIOUS YEAR	PER CENT
Consumers Price Index - nil groupe base Dec 1874 - 1000	1300 78	1,101	1,000	+10.1
Building Permits Issued	Nov 78 Nov 78 yr	\$107.4m \$1038.6m	\$104.1m #1188.1m	+6.00 - 11.00
Official Overseas Reserves	Juli 19	#198.4m	\$693,621	+25.00
Registered Unemployed - incl tisse on special work schemes	naM k	50,561	31,060	+60.00
NEUC Stars Price Index	20 Mar 79	336.06	311.67	+ #.00
Reserve Bank Share Price Index	18 Mar 19	1418	1814	+4.00

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NBR SHAREMARKET SURVEY

WEEK ENDING MARCH 29, 1979

Budget deficit: its effect on monetary base

Research has produced structural analysis of the impact of the budget deficit on the economy's "monetary private sector credit.

The paper, Indicators of the Impact of the Budget, by institute staffers R A Buckle and S L Snively, is published in conjunction with the March Quarterly Predictions (discussed in NBR, March 28).

The paper sets out to budget transactions on domestic economic activity" Its main use for the layman in industry and co. merce lies in giving a base from which to assess likely future movements in interest rates, provided other factors relating to Government policy, business confidence in regard making, and the distinction investment are taken into

Those factors were outside the scope of the paper, but that point is immaterial to its

The paper commences with the Government's budgetary deficit, and makes a number of adjustments to the public

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But the authors say that on the monetary even these "indicators do not economy. measure the entire budget impact." A fuller discussion of the fiscal and monetary impact of the budget will be the subject of a forthcoming

The budget's contribution to tabular form. Total Government expenditure less

give "Net internal budget Bank. The main influences deficit before borrowing". The private sector (eg the New Zealand Savings Stock). The result is the "net effect on base", to which is (or subtracted depending on the impact) the net activities of the Reserve

becomes the total change to the monetary base for the year caused by the budget.
The table presents this information on a quarterly basis. In the March 1978

quarter the authors show a decrease in the monetary base of \$252 million (tax time), a further decrease of \$251 in the \$252 million in September, and

cause a rise in the level of private sector spending and the size of the change in the deficit will influence the growth rate of private sector

calculated as shown above, the paper moves to consider the effect on private sector credit. But it points out that the

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"The other main sources of producer boards and as holder the farm income private sector transactions

total Government revenue produces the "Budget Table Two", which will be in surplus or deficit in any year.

Government imports are then subtracted for any formula of the first two influences...the budget data have been additated for any latest of the present level. changes in reserve assets arising from some of the budget influences mentioned

"When the data is Bank. The final figure available we shall also include the effects of the balance of payments transactions and producer board transactions with the Reserve Bank on the monetary base" (in addition to regular data showing the impact of the budget on the

monetary base). The movement from increases in the monetary base to increases in private sector credit is said to have a a solid lift of \$342 million in the nine months' time lag. On the basis of the current information, the following is a summary of the likely

"The outcome of the large increase in the spending." monetary base throughout
Once the change in the
monetary base has been a continuation of the high rate of growth in the money supply and in domestic credit in the first half of 1979. The annual growth rate of private sector credit is currently over 20 per cent. A contributing factor to this is the stimulatory effects of the increasing budget deficit on the demand for credit. Because of the time lags involved, we expect that the slower growth in the monetary base as from early 1979 will not be reflected in a significant decline in the growth of private sector credit until late

> The effects of that statement involve several variables. While private sector credit increases, ie the supply, the demand could remain the same or fall. In that case interest rates could be expected to drop. If demand is at the same level, or ahead, of done about 18 to 20 years the growth in credit, rates would rise. But the key is at what end of the market. At present there is a demand for short term money, and little

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which is why we asked them about

capital investment.
This suggests that short change to the monetary base term rates will remain near are overseas exchange their present level in the transactions, the role of the Reserve Bank as banker to the proposition in turn depends on what the Government will do with its interest rates. If there the monetary base is given in stabilisation accounts, and is little demand for long term funds, the Government could with the Reserve Bank. be expected (laying aside

short end of the market to finance its borrowing needs, requiring a relatively high and competitive rate on short

probably impractical for political purposes) might be a higher rate for Reserve Bank institute's staffers is a until 100 and 110 and 1 probably impractical for lending to the farming sector starting point of course information on which to the and the producer boards. That would lift the cost of funds, and that judgment.

possibly dampen down borrowing by those section Demand would decline, at the flow on effects to denied from other sections would the influence rates.

The private eventually has to make two that Low

will be coming into procurs

over the next 20 years as

should give forest compara

further scope to improve the

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Apart from the medium?

long term outlook disclosely

Forest Products at last well

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Forest Products is now late

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befils its rank as the county

largest industrial organisms

fairly frank basis.

the turn of the century.

subtracted, and Government imports are then subtracted, and Government exports added to that figure to transactions with the Reserve Rank The main influences. deficit before borrowing". The table next subtracts internal borrowing facilities made borrowing from the non-bank private sector (eg the New Zealand Savings Stock). The means of offsetting large

by Peter V O'Brien

TIMBER stocks are on the way back, with market heavyweight NZ Forest Products in the lead.

The company's shares spent most of 1978, and the early part of 1979, languishing a few cents above \$2 for the \$1 units, for a dividend yield of more than 7 per cent. That figure was heard of in the "old days" of the early 1970s when the yield was under 3 per cent, and every institution and broker was buying the scrip for

"growth".
Then came the recession and a contraction in local and world demand for wood products. Forest Products' earning rate fell in 1975 (although a bonus share issue affected the return that year). enjoyed only minor growth in the next two years (including another cash issue) before sliding in 1978 when net profit declined from \$25.3 million

up strongly since February, in line with indications of a good result in the year to March 31, and in anticipation of increasing profitability in

Doug Walker gave an indication of the trend last week. He told a press conference in Wellington that Forest Products was in a period of consolidation at prosent. The grov th rate is modest compared with the early 70s when high demand, and the results of the 1950s planting programme, were

coming through the mills.
In the 1980s the company will

the market for these and The main bull point therefore in the potential export markets. The fact that an addition 125,000 acres of forest any

INVESTOR INSIGHT

Forest Products and the other companies involved in timber processing. The effects will be indirect, because New Zenland for freight rate and other reasons, with the giant northern hemisphere forestry Rapid growth is expected in

Europe, which at present supplies only half its wood requirements. Demand will move further ahead of supply and will be taken up European companies, and American groups. That should take pressure off markets around the Pacific, thus allowing New Zealand producers to enjoy better

prices and growing demand. comparison with companies like Georgia-Pacific, Weyerhauser, and Consolidated Paper the world's largest coated paper producer - even NZFP is

Kraft the United States moved up 45 per cent in the second six months of 1978, and liner board (used mainly for making boxes) went from \$185 a tonne early in the year to \$220 between June and September. White paper producers had an even better year than other processors

United States forecasts uggest that 1979 will not be so DO WALKER . . . good, particularly for those as such, but there is said to be a shortage of supply in the paper and pulp business. The longer term outlook is

as Walker stated: demand moving ahead of supply, subject to inevitable ups and downs in the international

downs in the international economy.

Within New Zealand, the companies are in a tight competitive environment for their building products, which are a sizeable proportion of total output. The downturn in housebuilding particularly, and to a leaser extent in large scale construction, constricted in the products about 10 per of the company in the products of the company in the products of the growth fatter for the company in the products of the growth fatter for the company in the products of the growth fatter for the company in the products of the growth fatter for the company in the products of the growth fatter for the company in the products of the company in the products of the growth fatter for the company in the products of the products of the company in the products of the produc



solidation".

Dairy Co-operative G little which has massive sales to the network small capital base). Investors will be kepted by Forest Products' share of the forest products' share of the forest products.

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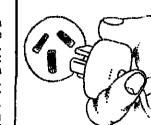
Local bodies vie for gas reticulation revenue Foreign journalist bids for PM's job

MAUI gas is due to come on Government bas not yet to homes and industries in maller North Island centres. The absence of clear ment has left local bodies

manoeuvering for control of natural gas reticulation — and the revenue it may generate. Natural Gas Corporation general manager Mr Ron O'Callahan says this "in-

says natural ['s will, in energy conferences in May theory, be available "im- will help shape these mediately" to smaller centres guidelines. along existing pipelines when

Maui gas comes on stream.



fighting is going on throughout distribution in an "energy the North Island".

he North Island". strategy", the target date for Energy Minister Bill Birch which is the end of 1979. Two

vise the Government on how says that some "would like to gas should be reticulated.

ment structure that's being established throughout New Zealand where you have united councils in the various

He said: "It looks to me as if I should be advised as to how it should be distributed in each region by the region itself — by a group of representatives from the various energy interests coming together."
But it may be hard to get

local bodies to agree or natural gas reticulation. Birch acknowledges that there is

there is can be seen in Horowhenua. Local bodies there started discussions with the Natural Gas Corporation in guidelines are set they may April last year. Since then, call on united councils to ad-April last year. Since then, Board and the Levin Borough Birch says he doesn't want to Council have led to these talks pre-empt any ideas that may now being at a virtual stand- MAUI GAS . . . stirs infighting for profits.

absence of Government come out of the May consult o would avoid doubling-up in trench digging, meterefficient" energy distribution

territorial local

"The Power Boards" Association believes quite sincerely that gas and electricity are complementary fuels and should be handled by one energy authority," Reid

Levin is the only local authority in Horowhenna reticulating gas to homes and industry. Levin mayor L although gas from the Roberts says there is "no works has been on star" possibility of the Horowhema years, the Natural & Described Power Board taking poration has not enach over the distribution of natural gas in Levin. "This has been a the system. This is the spiralling inflation" bone of contention for so long there has not been comps, that it doesn't matter," he to encourage widescale!

Roberts declined to comment further on the gas the never of Mest. New Zealand's economic distribution situation in Amidst the doubt of the stablishment has diagnosed Horowhenua. "You've spoken will distribute these s to Reid," he said. "Publish his natural gas resource, I side of the story without who will get any profix

comment from me. Councillor J Clunic of the Kapiti Borough Council says the lack of progress at the regional level has led to the Kapiti council making initiatives at a more local level. Together with the Otaki Borough Council and the Horowhenua County Council, Kapiti is negotiating with the Natural Gas Corporation to get

gas refleulated in those areas. But O'Callahan of the Natural Gas Corporation says "it would be a disaster if there authorities" to whom the corporation had to deliver gas. He considers that a Kapiti
Clerk's Horesteen as A Kapiti
Clerk's were a large number of small Olaki-Horowhenua County

grouping "would be much too small".

Based on the Horowhenua experience, and on O'Callahan's statement that there are disagreements on this issue among local bodies "all over the North Island", Birch may not solve very much if his energy strategy throws decision-making back to the local bodies.

But even if local bodies can wasn't all this sorted to be fore Maui gas was to be fore the horizontal to be fore the horizontal to be fore Maui gas was to be fore the horizontal to be for

throws decision-making back to the local bodies.

But even if local bodies can agree, the united councils on which Birch may rely, will not be formed for months.

K Gilligan, secretary of the Local Government Commission, says the commission won't decide the fate of the various proposed united councils till the end of this year and, he says, "It could well go over that" before the councils are fully operational. There are presently some "interim united councils", but, according to Gilligan, they according to Gilligan, they get piped natural se

natural gas.

natural gas.

Kapiti's Clune sati

But Jay says nothing about what is at stake is but the New Zealand economy that The object of the bus not been said before, Burough Council isquires though perhaps he puts things to be a partner in the puts to be a partner in the puts things more elegantly. Jay is not the distribution of natural puts that the means of providing slare; economy is in crisis.
income to rates.
The parameters of New

We as councillors 2 Zealand's economic crisis failing in our responsition in the design of payments problem, an increasing hemorrhage of payments problem, an increasing hemorrhage of additional see it as a month of the control of th venture - it's a server out of control and high unemployment is only partly () Callahan says "

papered over by the Govern-ment make-work efforts. "Urgent action is needed if New Zealand is not to flounder smaller centres to hot stilling import controls and

Jay repeats a favourite That situation charges s.

about full employment, "reflecting a preoccupation politicians into a series of hastily conceived exwith a concept of overfull pansionary measures which employment which is even will exact a severe price in terms of increased inflation more complete than the and further disturbances to the

of full employment so all pervasive, that many New Zealand economists and officials interviewed for his articles were not familiar with the Australian technique of calculating unemployment as a percentage of the labour

accuracy and is chafing at the bit to get New Zealand on the

"It is paralysis of will among

the country's political decision-makers which is

blocking the necessary

Before Jay becomes Prime

Minister, he will have to be re-

educated on the full em-

New Zealanders of sensitivity

loyment issue. Jay accuses

road out of stagnation".

their method of calculating keep ours, limited as it is. The Australia. Certainly 250,000 cannot be passed off as a low to only 5 per cent of the work

probably the most visible sign to the populace of the underlying deterioration in New Zealand's economic situation, which actually stems from the

country's export performance.

the problems with pinpoint relieved the perceived

precisely the skilled and

managerial groups which are needed in New Zealand if

for the unskilled labour now on

cussions of increasing unemployment has been to stampede New Zealand

employment is to be created and price performance".

CHRISTOPHER Jay of the ported the other day that "of the economies of the stern world, New Zealand a clocked up one of the worst

home that New Zealand's omy is in a mess. Perhaps lay should take up Muldoon's ation to newspaper editors

shie to keep the local media in Australian set of postwar expectations". talking about with all of their Even the Prime Minister

took note of Jay's economic

in a morass of currency crisis, three years a steady net outflow of population from New Zealand has also increased as young, ambitious theme of Colin James, NBR's New Zealanders depart for the political correspondent, when livelier economies of other has says "behind the scenes, countries, most notably countries, most notably

Australia And emigration has not even

overwhelmingly dependent on a small group of primary products, it is going to remain These policies have longsubject to severe swings in its terms of trade. The social and Jay quotes the Paris based economic costs of these swings OECD, who point out: "A stance of fiscal policy inare great. Soon the farmers will have New Zealand to volving a budget deficit themselves if trends in outequivalent to 81/2 per cent of GDP in 1978-79 and monetary ward migration continue. conditions such that the The Government's policy broadly defined money supply should attempt to offset unpercentage of the supply should attempt to offset unpercentage of is expected to grow by over 20 needs to be cleaned up within about it?

accounts (an increase in the

balance of payments deficit)

And as New Zealand's own

forecasters, the New Zealand

Institute of Economic

Research have predicted, the

recovery of activity as a result

stimulatory fiscal policy is

likely to take the form of a

short-lived consumer led boom

which will cause imports to

So long as New Zealand is

problems of unemployment, per cent in the current swings in the term since the departing emigrants financial year would seem to not add to them.

are heavily biased toward involve risks of a major As Jay points ou involve risks of a major deterioration in the external

New Zealand's policy making elite has still not recovered from the trauma of British entry into the EEC. which in the long run meant the end of the British connection".

It remains to be seen whether the New Zealand political establishment is prepared to take the necessary measures now that the British connection has been broken. Determination of necessary measures will involve straying from the safe path of known markets and taking risks with nontraditional products in nontraditional markets.

And "it is high noon for the New Zealand Prime Minister"
-according to an editorial in the Australian Financial Review which accompanied the Jay series. cumulative failure of politicians to grasp the nettle

The Review suggests that to help New Zealand out, the first step is guaranteed access to New Zealand industrialists nisation and restructuring. Australia would gain an extra market of 3.1 million and New

bour get ahead. "Viewed so

prosperous rural backwater . .

problem economy whose

repercussions on the

reciprocal relationships across

New Zealand is emerging as a

Zealand would add another 14.3 million. Jay offers New Zealand's over the past decade has politicians some good advice

"Give me one good reason to ship Columbus."

systems – in

sailings, Columbus

equipment control,

scheduling, handling and

documentation - make it

pay to ship Columbus.

People who care. Because we understand your needs, we care about And because we care, we get things done. No matter what.

Knowing you can count on us, in export, confidence in your ability to commitments is all important. With frequent and regular sailings and reliable schedules,

Protecting your Columbus is dependable. Count on us. goods. Columbus Cargo Care. Our Continuing special handling Commitment. Through massive and our capital investment

sophisticated equipment combine to ensure your goods arrive in the condition maintenance you despatched them.

Keeping up with contributes to shipping your needs. By stability. And by actively continuously upmarketing our capacity we dating its fleet actually stimulate foreign vessels. Columbus matches Keeping things the need for increased capacity. moving. In shipping, This helps to provide traders delays are costly. with the flexibility to capitalise upon immediate opportunities. and the confidence to engage

> Our overland connections. With Columbus, you can on-forwarding to final inland destinations at this end. Columbus can even cost out the alternatives open to you, and can help you make the right choice.

in market development.

Opening up new markets. Columbus was the first to provide containerised services to both coasts of the USA and Canada and first to provide regular fully containerised sailings to Venezuela, the Caribbean and the US and Mexican Gulf Columbus keeps pace with expanding trade opportunities.

COLUMBUS LINE Speed afloat, service ashore.

Modern fast container ships servicing the East and West Coasts of America and Canada, Venezuela, the Caribbean, and the U.S. & Mexican Gulf. Sailings on average every seven days.

Non-conference line bites the dust

by Warren Berryman

THE number of shipping lines ying for trade on the New Jealand-Par East run has and-Par East run has en reduced by the departure non-conference Croisdale hipping Pty Ltd from New

wasn't all this sorted before Maui gas was at

pulp, timber, and produce such as grain and onions.

They both recently lost the exclusive hold on these cargoes when NZESC complemented its container service with conventional cargo space.

NZESC residual service is believed in shipping circles, to be responsible for the erosion of Croisdale's position and should put significent pressure on Armada.

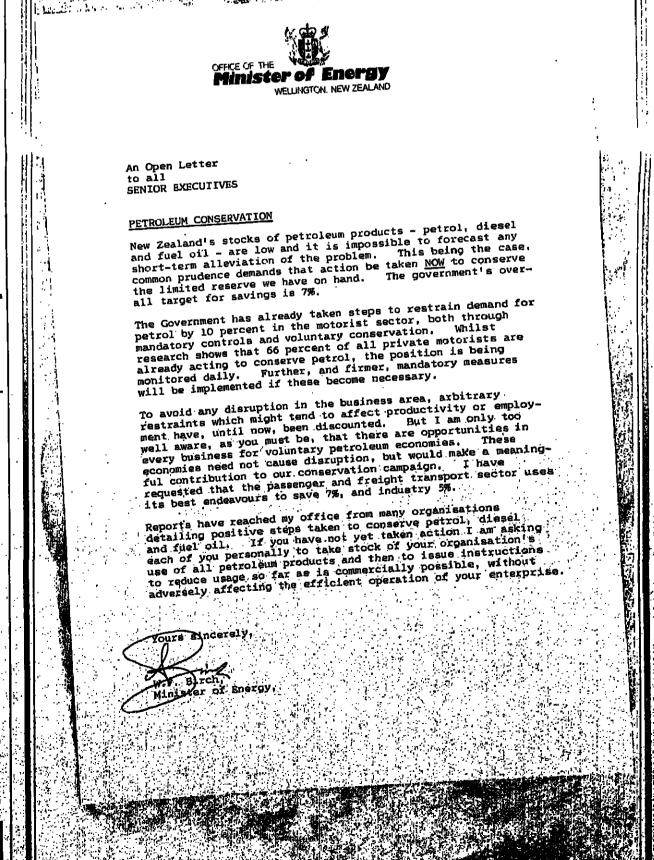
The two non-conference shippers' rates were only marginally below conference rates, but they were seen by exporters as a key factor holding conference rates

McKay Shipping's Ian McKay said Armada would remain non-conference and Armada's service is now

monthly, McKay said, but this could be stepped up to fill the hole Croisdale left. Oceanic's manager Mike

overcome its cash problems, they would like to re-enter the New Zealand trade.

ine 776-209 Wellicijtu Aharcourts



Multi-Net. Our track record shows we really know how to keep your people tuned in to us.

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> > Multi-Net. We'll tell you too. From 10 up to 25% depending on which network you need.

Ask your adman what's lighter (on your pocket) than air.

> Multi-Net. Compare the cost effectiveness of radio and you'll see your advertising dollar is

> > Ask your adman if he wants talk back or feed back.

Multi-Net. Results are what count and we make sure you get them. We've got a lot of time for you.





r. Roger Bilson, has saie with the analysis of

Rather than a 25 per cent grease in the efficiency of serision One rotate airtime 1978, there has been a 1-2 increase in ef-

nots can only affect the robability and, therefore, ficiency of rotate, by 3 per cent increase, the 10.7 per cent per cent less than inflation.

ixing of commercials to 30 per cent content of any one break
-not 30 per cent of all commercial airtime, Bilson said. "This is a point which Television One has always made as clear policy. Therefore, the probability of being placed in that high-rated mercial break still exists.

weighting commercial probabilities, it is not ent reduction in efficiency. the quoted 29 rating per-centage point average is less Though probability for- only

naths involved in this exercise

case had achieved the same 3 the report on O and Ms bul-

the analysis of Television One efficiencies, if the correct Television Two rate had been Television Two rates were published prior to TV1's, on December 8, and show fixed programme to be 4.8 per cent nigher than quoted, at \$1090."

 In a somewhat more conciliatory tone, he referred to Graeme Hunter's comments on not buying channels by station share. Bilson said he appreciated the intent, but countered by saying: "Agencies look at station shares to gauge any channel disparities, but I have never

grind

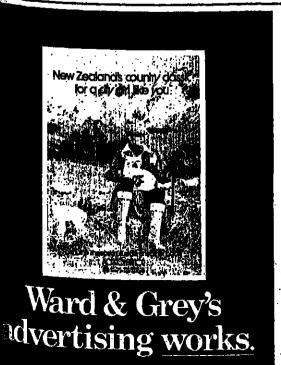
WELLINGTON members of the Public Relations Institute were a little put out by the Wellington Regional Planning

When Mike Veal, local branch chairman of PRINZ. found out that the authority difficult to establish this 3 per was inviting submissions for a public relations programme to tourist destination, he also discovered

nulae can be complicated, the practitioners. Further ion of Wellington's mayor Bilson said he had checked Michael Fowler, "ad men had better contact with the news media", a statement which did not reflect well on his understanding of the PR

> A letter of protest went forward from PRINZ on behalf

00 Conferences, Conventions, Sporting Events



that all member consultancies are to be approached to be interested in making submissions. Those expressing interest will be asked to submit a profile of their expertise and qualifications to authority will then prepare a short list of consultancies and agencies, which will be asked to submit a campaign concept based on a written brief.

PRINZ is also renewing its approach for a share in Government-funded publicity programmes. The institute's annual report states that representations had been made to the Minister for State Services asking for public service campaigns, particularly those regarded as

excellence is good for the inagency which authored it.

Anatomy of an ad campaign

THE 1978 Montana wines advertising campaign, continued this year we observe. represents a breakthrough from the painfully traditional approach used by most winesellers in the past. Featuring testimonials from European wine experts, it challenges widely-held opinions of New Zealand wines as poor relations of their European forbears. And in the process carves out a special position for Montana.

SSC & B: Lintas was appointed to the account in to nothing about wine con the agency about the wine campaign are all recounted in 1978 Montana Campaign.

lifts the veil on agency and will earn a grunt of approval from the pro for its agency gut-feel.

Flying for fun

CONTINENTAL AIRLINES hit the New Zealand travel Market with talk of \$100 fares Continental regional director Bill Clague emphasises that Continental was not entering the New Zealand market to compete; it was spending \$1 million a year to promote the Pacific in the United States and 70 per cent of the passengers coming down from the States were expected to return with them, leaving only 30 per cent of the load to be picked up in New Zealand.

Zealand.
Cheap fares? They were still being negotiated. But Clague said he expected them to be in line with those charged by Air New Zealand and Pan Am—a blow to hopes of cheap fares.
Rather than compete on fares. Continental was positioning itself in the market as the "fun airline" with the

you".

There was little said at a marketing policy meeting the other day that would upset national carrier, Air New Zealand. Instead Continental went out of its way to conform to the New Zealand way of doing things.

Take for example the Continental at (above left) run in Australian trade magazines in March. This ad would not be

Rugg, from WHT Advertising and Marketing Ltd, said he B per cent of people in this country would mis-read it.

"We are the fun airline, Ir Australia one can have a bit of fun with a bit of borax but not in New Zealand." Rugg said. "We won't be doing knocking copy in New

the Newspaper Publishers

use by member papers, refers competitors or knock the competitors. One can't even say one make of car uses less

knocking copy rule.
The second ad (below right) has been placed in Australian Knocking copy, according to and New Zealand trade press. he Newspaper Publishers A modified version will be

Association, which prohibit its available

made by Continental was that as its passengers can b cleared through customs and immigration at Honolulu, they petrol than brand X, even if it clearing through Los Angeles is true, according to the

It all seems a long way from the brave competitive thrust promised by Continental some



friend

DB Travel Hotels have made friends with a lot of families travelling through the country. And they keep coming back. Maybe it's because we believe there's more to staying at an hotel than clean sheets and a colour television. Like the courteous service. understanding staff — and little things we do to help you. Our telex system enables us to provide you with instant accommodation confirmation, throughout New Zealand. And that car make a lot of difference. especially when you've got a family to consider.



Repeal of travel tax

l WISH to congratulate you on your March 7 NBR travel tax article by Duncan Campbell and we hope that this may be the first of many such articles on this and other related travel industry questions.

My association supports the repeal of travel tax as we believe it is having a very Zealand tourism in general. It is very difficult to prove that New Zealanders are purchasing their travel overseas, however, we have reports coming in from our members as well as from our principals that there are increasing numbers of New Zealanders purchasing one way travel and using their overseas travel allowance or credit cards to purchase onward travel, tours and return travel.

One of the main reasons we believe for this increase is the New Zealander's desire to avoid paying travel tax and if Air New Zealand is placed in a labour costs have risen exvery difficult position and is cessively threatening not only losing revenue, but at profitability, equity inthe present time, is placed in a vestment and finally emnegotiating low cost fares as the 10 per cent travel tax must correct enough". As that level

the negotiations with larger overseas based carriers.

From the view point of TAANZ, our members are losing business to overseas agents or airlines which means commissions are being lost to New Zealand and there is a real possibility that our members will not make the taxable profits they could make and as a consequence of this, the employment opportunities in travel could be

> Executive Director Travel Agents Association

Wage/profit policy issue

MAY I comment on the reviews of my paper -Wages and Profits: Some Policy Issues, NZIER, October

Mr Campbell says (NBR February 21, 1979) referring to my advocacy of a "Swedish Model" approach and con-clusions for New Zealand "that

ventional economic analysis I am happy to leave the matter there. His other comments contribute neither specific of salary and wage earners, it rebuttals of my analysis, nor a is not of great direct imcoherent alternative analysis portance to my arguments. of the economy, in relation to

Mr Turkington has, detail of my analysis, and the paper's conclusions but rather enough attention to taxes on to A4) and was careful to be quite question, although they clearly specific in the text and con- have major implications for

clusions (eg P25). "The RBNZ data show that production and exporting. for public companies the ratio ployment" and that "at one of pre-tax profits to total level the observations are assests declined after the early

ieclining effective tax rate." That I have done no more than to spot a cyclical variation, but without offering evidence to support his case. There is evidence of shorter cyclical patterns in wages and prices, but my data indicates secular trend, from 1970-1979, referred to. with no evidence of any cyclical or other comparable pattern between 1950-1970.

That I missed much of "the point" by not focusing more on farming and its declining share of national income. It was shown (table A4) but was given little attention because, given farming's small share of the labour force and especially

Like Mr Turkington, I have employment, labour costs and no doubts about the importance of the farm sector for the viability of New Zealand similarly, not argued with the economy, and I have addressed the question elsewhere (eg The Possibility of he suggests: that I don't pay Economic Growth, a paper Manawatu profits, but where such data Economic Society, March was available and relevant I 1978) but it was of little direct did include it (eg table 1, table relevance to the arguments in

the future of profitable farm The reviewers have not mounted a telling attack on my without Colema's experience, assests declined after the early arguments and conclusions. 1970s, although this was offset. but have declined to agree with

"aggregate demand" and "real wage" policy alternatives, with reasons for the natives, with reasons for the politics and election. "nggregate demand" and months every three (fig 5) what looks like a This key element was not even

> T K McDonald now stacked against 18. Director Economic Research.

sure that I Colors

standing client with be

from Colenso's point of then McCann, Ericket

probably just via National Party nest who better than Big as biggest advertising as

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It is not to be inter-

this that racehorse

to buy and train of

return for his more

Unemployment is viz

Ad agency specialises

'WITHOUT a Word of a Lie' (March 7) contained at least two classic maccuracies.

The first is that Dormer Beck Stuart Wearn was second contender for the "about to be dumped" National Party here is that Dormer Beck Stuart Wearn no longer exists. It has, in fact, been replaced Beck Campaign.

that the agency, even with its new name accurately recorded, is on the list of contenders. We are not Even we know that election ad-

natives. How does that contribute to informed debate and better policy recommendations? I did set out, the mendations? I did set out, the mendations? I did set out, the months are with us year in the edged aside to month are with the edged aside to month are with the edged aside to months are with

by John Draper

SMALL poultrymen are demanding a Government inquiry into the Egg Marketing prepared to back 1 Authority which they claim is

Faced with a massive and continuing egg surplus, the authority has been imposing mandatory and "voluntary" restraints since 1970.

But the small poultrymen, who intend putting their case soon to Agriculture Under secretary Rob Talbot, are willing to risk an open market rather than put up with the authority any longer.

And wouldn't it being The authority has been some of these se autocratic and prepared to use remitted profits rank New Zealand to hip the courts to back up its sanctions against uncothe potentially until exercise that you not last) suggest that operative producers. Over the last eight years, the

room for manoeuvre.

Talbot let the fox into the authority has persuaded poultrymen to reduce the henhouse at the poultry farmers' conference in Ashnumber of laying hens from 4.5 more than 500 poultrymen out for regulation was over, and But the authority is still realisation that competition is the only way to inject life into a

production by two million lozen eggs a year, leaving a working surplus of six million

Egg producers have been ''abvsmal'' 'The consumer does have a own worst enemies, choice," he said in speech finding every loophole in the designed to give producers authority's restrictions to something to peck over. boost output. "He can either buy your

Government backing, a legal

coop leaving producers little

He told delegates the time

In words that would have

cheered the small producers,

he slammed the authority's

marketing policies as

Efficient production was

useless if the product could not

be sold, or was not what the

Small egg producers' secretary and Wairarapa

poultryman Roger Hamlin

says the authority's ad-

vertising campaign went off

long ago.
"All they have ever done is

plug the 'Eggmonds' line with

Christchurch baking powder

He claims the authority's

export performance is no

better than its domestic

promotion campaign.
"I came back from Hong

Kong with an order for 250,000

dozen fresh eggs a fortnight,

The authority's general

manager, Goen Kermode, says

it is easy to be critical when

egg sales are falling, as they

have been over the last three years, partly due to the

migration exodus. Few people

now "go to work on an egg

and the breakfast market has

tumbled by 12 per cent. Fast foods are now eating into the

market eggs once dominated

as the ready standby. The market has now

stabilised and is showing signs

have been in our promotion but

on advertising over the last two years," Kermode said.

Hamilton will be urged to eat

an egg combo or two or three

in a three-month campaign to

be launched soon. If suc-

cessful, the promotion will go

Kermode is not sympathetic

BROADBANK

Investment

Management

"We realise that we have not been as succinct as we might

of recovery.

we have been sper

but the authority laughed."

makers Edmonds.

customer wanted, he said.

flagging economy.

product or not buy it.

In response, the authority



We have project leaders, analysts, programmers and facilities managers available.

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Fixed cost quotes are payable after your acceptance tests are completed and come with a one year debugging guarantoe and a five year assurance of continuing support.

Special emphasis is placed on the setting and meeting of agreed

All quotations are laid our open approach on aspects of each

All programs, documentation, flowcharts, source code, etc belong to you.

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Alexander British

towards the small producers. If medium-size producers have number has dropped from more than 1000 to 437 in eight years—then there is little hope for the small man.

Big producers now dominate Around 290 poultrymen with fewer than 1000 hens produce 5 per cent of the eggs marketed by the board; 437 produce the rest. In 1970, there were 1000 units with more than 1000 hens.

In its first attempt to cut

production, the board ignored

ınits with fewer than 1000 operate, setting out the maximum number of hens to be kept. After a mandatory cut, the authority is requesting "voluntary" reduction in flock numbers by 15 per cent. Those not complying—and the authority claims only 2.2 per cent are not-are being orthat poultrymen should get in dered to pay \$3.50 a chicken a line with the Government's year levy. Several producers have already been served to pay.

FEWER EGGS FOR BREAKFAST ... uproar in the

receives is an average worked court summonses for refusing The price a producer out on a weighted sample from mers to diversify.

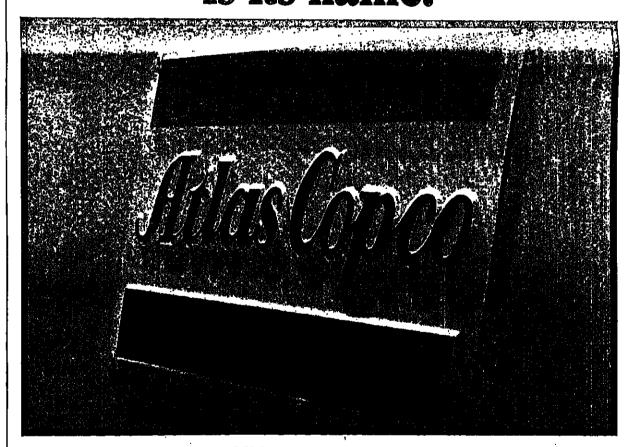
In effect the small producer helps to keep the larger producers' price up, while falling far short of his own

breakeven point. Gate sales, where the authority allows, at 12 cents to official prices, are keeping the

small producers alive. The authority is not eager to give up its powers, which are almost total over commercial

egg production. But it is prepared to concede that there is some scope for relaxation, in line with National Party's realisation that competition has to be restored to the ailing economy. And the mood may be extended to other areas, though Marketing Authority there will not be any legislative compulsion to back up the has indicated that restrictions on rabbit farming may be lifted, allowing poultry far-

The hardest working feature of this machine is its name.



Well... think about it.

When you take on a piece of Atlas Copco equipment, you work with a team dedicated to the total performance of their machines. Machines which are designed and assembled with skill and precision.

Backed up by a 24 hour force of 'tough tackling' servicemen and readily available spares. Put the Atlas Copco name to work.

Atlas Copco

Atlas Copco-making air do the work!

Some clubs fly from London to Auckland for about \$5.00* simply by having the right people in the right places.

When you're busy meeting deadlines, controlling inventory, hounding suppliers, maintaining client service and developing new markets, it's reassuring to know that there is an air freight company which treats your business as seriously as you do.

Pick up the telephone and Emery picks up the responsibility.

Auckland MER 58-169 Christchurch 583-222 Wellington 881-179

*Based on \$5.09 per kg, minimium 750kg London to Auckland.

ALAC tackles alcoholism through industry

NEW Zealand industry must soon face facts that alcoholism is not a remote problem of public health, but a responsibility that employers and trade unionists must confront in the workplace. At least, it will if the Alcoholic Liquor Advisory Council is successful in promulgating its industrial programmes for those people with alcohol problems.

Judging by the crowd at ALAC's Wellington industry seminar with union and employer representatives from state organisations as well as private enterprise participating, New Zealanders are keen to make up lost

Scandinavia, the United States and Canada have had Australia followed suit only in the last few years, while New Zealand is making the preliminary moves with the recent appointment of an ALAC industrial llaison officer

promoting community awareness of alcoholism, expanding the facilities for its treatment and the more difficult problem of identification of the alcohol addict.

Drink-drive offences often point to victims of the disease. Recognition in industry by coworkers and supervisors is

It is no longer accepted that the alcoholic must crash completely and make his own plea for rescue before he can be helped. The thinking behind lictim's life is still intact.

behind the Australian programmes was done by Dr J



Council, both of whom spoke at 3 per cent of the problem, their fellow-workers. the Wellington seminar. The other 97 per cent of Dismissal used to be the

When you get past the nuts and bolts...

...service

is the all important component in the computer business.

management.
Alcoholism has its major

impact on a worker's most productive years from 25 to 50, and in MacDonnell's words is "the hole in industry's pocket" through which New Zealand loses an estimated \$50 million a year. Most of those "flushed out" in industry programmes have a relatively long service record with their companies. People in the early and

middle phases of alcoholism continue to work at full-time, were also on the programme. regular jobs, but usually with be helped. The thinking behind the industry programmes is that early intervention is preferable, when most of the Alcohol addicts have a diction of the Alcohol addicts have a direction of the Alcohol addict progressive problem, he points those whose repeated over-Much of the spadework out, and the sicker they get, indulgence reduces their efficiency and dependability. the more they deny it.

He said industry needs the Their fatigue, uneven work Moon, now Medical Adviser to health delivery scheme pace, absenteeism and ALAC, and Ken Stone of the because the archetypal skid- mistakes also affect the Australian Trades Union row "alcie" was only about morale and performance of

Brendon MacDonnell, and alcoholics, more often politely management solution to the George Pearson, personnel referred to as "problem problem of the alcoholic. The manager of Qantas Airways drinkers", are evenly trade union response to this

distributed in the workforce — was to cry "victimisation" or from the lowest paid to top "wrongful dismissal" and to outlined by the Internation of Maching.

The property of the property of the internation of the property of the internation of the property of the proper persuading management to Aerospace workers (one) reinstate the worker.

reinstate the worker.

The alcoholic's first job USA), Qantas began by dismissal is the beginning of his long slide -- from then on each job he takes is suc- of it is a joint as cessively lower in status and management policy atm shorter in duration. Rein- and supported statement is another way of Australian Council of his helping him to dig his own Unions and the Cartes he grave. As long as he has a job. he can rationalise that he "can't be that bad," and has the means to continue feeding

The problem drinker is a

progress of all staff lawly

An education progr

for all employees into

velopes and getting put in Trade Union public:

representatives were

munity facilities to the

alcoholics would be ren

all stages is ensured, atta

essential feature d

programme. While a

referrals and interests:

supervisors is restrict

matters involving aut:

programme was slow by

Penrson said

were reviewed. Anonym

master of tactics which hide mates, and others involved are unaware of his drinking pattern, because the signs of chronic alcoholism come on gradually over years. The unrecognised, 'smothered for" employee is the target of the industry programmes. His repeated poor work performance, including a higher percentage of accidents to imself and his work mates. offers a clear, objective measurement of an area clouded with subjective emotional and social

Work deterioration, due to the use of alcohol, gives industry a simple, direct in union representation dication of alcoholism which encouraged, confronts: avoids complicated clinical definitions and can be understood by management, formance. work mates, and the alcoholic

When his behaviour is seen identification would be as undesirable in terms of the sack. Eighteen months hard-headed world of work, there is an increasing a the alcoholic is relieved from self-identification. Oct the pressure of more referred, three-quarteremotional judgments from come forward thems home, church, and mates. In Most of these have? Stone's words: "The calm, successfully rehabilized detached tone of the job. On the New Zeslandset. oriented description acts to put few companies and \$2 category where it can be stituted their own and rather than argued programmes. Lion Brest

job itself. "Should alcoholism Zealand Steel Ltd at It co-operation then the job is on is at the proliminary in the line." If this seems a barsh having issued a line, Stone notes that statement MacDe alcoholism is the fourth killer Brendon manned disease in the world. In New Zealand and elsewhere only heart disease, cancer, and the combined psychiatric disorders head it.

For an industrial programme to succeed, a collective approach is needed by management and the trade union. Both must agree that alcoholism is a treatable illness with the same televisia. illness with the same "status" the problem progres

George Pearson, speaking of the Qantas experience, said pretreatment programs that in 1976 that in 1976 several long an expensive m employees had to be Train sacked because of poor work centrates on performance. Supervisors, confrontation" and union representatives and identification of the workmates recognised that problem, not we alcoholica. Supervi problem, and it was obvious taught to look for at that the company is that the company's counselling but only to supervise and welfare services were inadequate to deal with it.

Over half of National Business subscribers are senior com

Heylen Research Contre, 1976.

Toyota's big new answer for our kind of economy.

New Corona. Your kind of car.

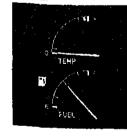
Toyota announce the first new concept family car. New Corona introduces the most significant new concept in power and economy ever offered in New Zealand. Founded on Toyota's unique mastery of design and small engine technology, new Corona features a new generation engine - the brilliant 3-T, and vastly superior design principles. The outstanding success of new Corona's design has dramatically lowered the normal windresistance level resulting in substantially increased economy and an uncanny quietness in the cabin. New Corona is the brilliant result of Toyota's unrelenting quest for peak performance and outstanding economy.

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Simple, clean, classical. Three words that best describe this bold new design. From the smooth front with its squared-off headlights, to the wraparound rear tail lights, this is a car designed with two overall concepts in mind – enduring style and more usable space.

Your kind of economy and performance:

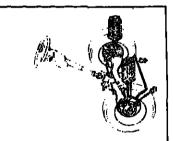
A new engine for a new car. The brilliant 3-T motor has been specially developed from Toyota's unique understanding of small engine technology. Based firmly on the principle of combating constantly rising fuel costs, Tayota's advanced know-how has brought New Zealand motorists the vital economy breakthrough we



remind you of Corona's economy - the petrol gauge monitors the amount left in the tank even when the ignition

Your kind of reliability:

If there's one kind of owner that must have total reliability it's the family man. New Corona is engineered on demanding principles of long life. Toyota engineers have been able to perfect reliability that surpasses even the previous Corona - itsel a standard of reliability that other manufacturers have long envied. Construction is typically Toyota – tight and tough and includes the latest proven techniques of protective and preventative safety.



Your kind of comfort:

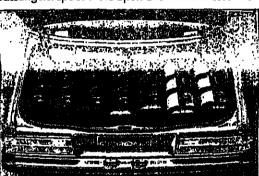


that new Corona is the most comfortable and the quietest family car you can buy. This comfort and quietness was not easily achieved. Thicker, sound absorbing material is used extensively throughout

CORONA XT STATION WAGON CURRENT INVESTMENT PRICE: \$10,500 Thick, pile carpets cushion the floor. The seats, in the tradition of Toyota, are deeply

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Optimistic projections predict 400 per cent ris in jobless by 1986

restructuring provoked the predictable knee-jerk reflex licensing, and the economy would be cast into dark disarray with thousands manufacturers would have us

It was not so long ago that we were being told that the major impediment to growth was over-full employment with cheeky workers who could go next door for a job if will increase by more than 400 baby boom is now reaching they didn't like their boss.

But now, with 50.000 unemployed or on special work productivity has dropped to

know nothing - do nothing attacking the sconomic intelligentsia rather

projections, based on present past economic performance and current level of unemployment per cent by 1986.

Statistics department projections predict an increase in population from the present 3,146,000 to

One might go further than with growth in the past. But in rise in 1976-7.

reformers. He will drop price the statistics projections and the past, job opportunities kept control. But that move was so obvious one could only ask why Zealand's growing economic labour force. In fact, New he took four years to do it. unattractiveness, net Zealand had to supplement the New Zealand plods on as migration losses might lead to natural growth in the labour before, failing to grasp the bull zero population growth for the force with immigrants in by the horns in our moment of next seven years.

status quo is unlikely to hold seeking jobs. The population unemployment even to the might remain the same but the prevailing unacceptable proportion of the population seeking jobs will be higher in Given the most optimistic the next 10 years than in the

The New Zealand birth rate atructure, the rose to a high plateau from employable age, (see graph).
A further factor is swelling static due to a decline in the the ranks of those seeking

birth rate, (down 14,460 from a employment. Due either to peak in 1961), and a 26,708 net changing social mores or migration loss (36,972 economic conditions, an immigrants arrived last year increasing number of women while 63,680 people left the are now joining the labour Thus, in spite of the zero population growth, the labour

2 per cent a year.

many years.

But this does not imply a During the period up to 1976 But maintenance of the lower number of people growth in the New Zenland economy was about 4 per cent. It is now less than 1 per cent.

If it can be assumed that the future will be like the past. future growth will depend on the balance of payments situation Past expansions have always been brought up short when imports of raw materials and capital goods exceeded our export earnings. If past is prelude and the

Planning Council is right, to

achieve a 3 per cent growth it

would be necessary to increase exports by 5 per cent a year. A 4 per cent yearly increase in GNP would probably provide sufficient employment pportunities for the growing force is likely to grow at about labour force.

But real exports have This growth is not out of line levelled off after a dramatic



Given the fall in exports and the low growth in GNP, one might project in classical economic fashion that the number of job opportunities employment opportunities will remain static until 1986 by grow out of increase which time the labour force would have risen to 1.489,000. The present labour force is 1,305,000, of which about 50,000

capital investment and the capital investment will inhibited by balance. payments problems by are unemployed. The 1.255,000 job opportunities now filled exports. While these assumption will, thus remain constant. But

234,000, or 15.7 per

This dire prediction is be

on the assumption t

there will be 1,489,000 seeking held true in the past, then; employment in 1986 leaving no iron economic law at

lunch hours, golf on Tuesdays, sail on weekends, and produce for an uncomplaining domestic

increased without an increase in fixed capital investment, with its associated balance of market. payments wrecking level of

The most outstanding characteristic of New Zealand manufacturing, is its overcapacity. Few firms run their plant at more than one shift a day or operate on more than a five day week. This low utilisation of fixed capital pushes up unit costs of the 1978 Market Intelligence products, especially since Report, admit that the reason interest rates and exchange for the fall off in exports is due

losses on the capital to finance that plant are higher in New Zealand than for our foreign Many local industries could treble production with no increase in fixed capital, and standards) and pays them low wages (by Western world at the same time treble standards).

But there is little incentive to follow this attractive option. Protectionism guarantees high profit levels for goods old on the domestic market. increased production entails a dragged down by the whole real competitive struggle on protective structure of the world markets. It is far easier New Zealand economy;

As long as the manufacturer has friends at Trade and GNP and job opportunities Industry and/or a powerful lobby, his cosy existence is assured. For some reason the consumer, who is forced to buy such as the kiwifruit industry. his goods at two to three times or blueberry farming would the world price, never capital input that would Even the Manufacturers' worsen the balance of Federation, in their August payments but it could provide

jobs and export earnings. Even here, however, the Government's insistence on to New Zealand manufacturers being priced out of marketing boards, licensing New Zealand has a highly and other protective educated and skilled monopolistic inhibitions to free

world market forces could curtail enthusiasm for and efficiency in these new industries. Barring fundamental economies of scale are needed

Barring cases where huge changes, in Government approach, new horticulture to remain competitive, the ventures are likely to follow in New Zealand manufacturer should be competitive on world farming industry to low profits markets. But many are not, and falling production. and those that are are being

Total number of N Z Births 1950-1978

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Managing For Motivation a similar 3ds programme honing the skills of people. managers at any level.

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Job ads don't draw dole collectors

by Julie Molloy

ALMOST 1600 people are collecting the dole in Wellington - but few of them skilled jobs advertised in the city's morning newspaper.

A Labour Department spokesman said that nearly all the 1573 registered unemployed were unskilled. On one recent Friday,

Vellingtons morning daily The Dominion advertised positions for at least 21 jobs which required no previous skill or avestigations into five of the

dvertised positions suggested that few of the unskilled workers on the benefit were actually applying for jobs.

Coates Bros (NZ) Ltd ad-

vertised for a general hand and received 17 applications. Only seven of the applicants Factory supervisor John

Lurch said he realised there were many genuine unem-ployed on the dole, but he felt that "as the Labour Dopartment admits", there were people around who should not

He said some people applied for jobs knowing that they would not get them so they would have reason to stay on Another position, for a junior

shop assistant at McKenzies Ltd, received six applicants. Only two of them were Only 15 unemployed applied

for three jobs advertised on a recent Thursday housemaid-waitress, storeman and cake shop assistant. The Wallington District Superintendent of Labour, L J

vacancies, but nearly all of these were for skilled workers. Employers were becoming more selective, Cope said. They were demanding conditions of employment such as previous experience, skills and more mature employees. Many also did not want ap-

plicants with criminal records. This left many of the unemployed unable to meet the conditions he said.

Penny Dover, assistant manageress of Access Personnel Employment Agency said unemployment was not as scrious as the media made out. Many unemployment beneficiaries, were not trying to get work or were "too fussy" about jobs, she said. Many unskilled workers still

wanted a "fantastic" job despite the fact they had no skills to offer.

Dever said that many school-leavers were not prepared to resit public examinations such as school certificate to give them backing. They would rather be unemployed than repeat year at school, she said.

But the employment agencies we contacted usually dealt almost exclusively with skilled workers and large demand for most skilled

There appeared to be a shortage of office personnel particularly shorthand-typists and secretaries. T Roberts, managing

director of Job Centre, said he found few unskilled workers applied to the agency for employment anyway.

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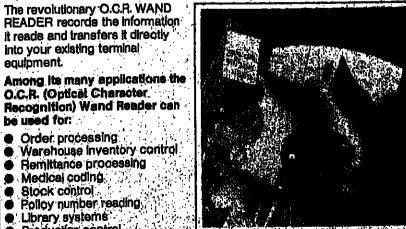
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THE OCR WAND READER

Two channels, one channel: any lower bids

by Bute Hewes

FEW TEARS were shed for the old New Zealand Broadcasting Corporation when, just four years ago, on March 31, 1975, it passed quietly away. Nobody loved it any more. Instead, we would have

three bright new corporations - one for radio, two for television — and we were promised they would be free of the leaden bureaucracy that had weighed down old-style broadcasting. It sounded

niversary of that big upheaval, is broadcasting really that much better? Radio has livened up perceptibly, but

television is still in a pickle. Such a pickle, indeed, that it has been subjected to one after another, the latest of

Broadlands

Lombard

Vew Zealand

house industry is based on

confidence. Such confidence is

created only by fair treatment, courteous and efficient service.

conduct their business honourably

and employ ethical practices in

3. Members will explain fully to

customers the cost, terms and

will be as simple, lucid and

endeavour to conduct their

contractual obligations of credit transactions. Written documents

unambiguous as circumstances

4. The business will be maintained as a constructive agency in community life and members will

business to provide financial benefit

2. Members will at all times

every activity.

will permit.

To cap it all, the Prime Minister has opened up the possibility that the second The seeds of today's should be their underdogs, not television problems were sown overlords as in the old NZBC.

a meeting of the Broadcasting Corporation and announced his plan to wind up the NZBC and establish a new structure.

It shocked corporation members, sitting in their Bowen Street boardroom, for there had been no previous the monolith they were discussion with them, no inkling that this cut-and-dried plan was to be tossed at them

But television producers and But television producers and programmers welcomed it with a whoop of joy. They saw staff, whether or not they were programmers welcomed it Douglas as the man who would overthrow the bureaucratic monater the NZBC had become and lead them to the Utopia

The intention was to emphasise that the people who

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appear on a strict code of ethics

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whether consumer or producer,

commitments by borrowers in

excess of their financial resources.

б. Truth in advertising will be the

guiding principle of all promotional

legislation which regulates and supervises the industry and which

7. Association members support

gives due regard to the public

interest and encourages and

community.

safeguards the savings of the

8. Members will support other

improve economic and social conditions of all New Zealanders.

organisations striving effectively to

and help for the customer,

5. Members will discourage

individual or company.

Only a few weeks after was kept when the top jobs starting that job, he arrived at went to Alan Morris and Allan Martin, both popular and respected among producers. The general understanding

was that they would start from scratch, hand-picking people they needed in their teams and ensuring they would not be topheavy with bureaucracy, like replacing. Staff levels would be kept lean and efficient. It did not work out that way. Instead, jobs had to be found

worth keeping.

There were cases where jobs and titles were artificially created for the very officials whose weight had made the old system so cumbersome and dull. There was no way to

ROGER DOUGLAS . . . tried overthrowing the bureaucratic

This was something the Douglas plan had apparently failed to take into account. was a major flaw which dashed hopes of shaking off the public servants and leaving just the bona fide broadcasters to get on with their job.

TV1 came off best in the really mattered were those discard them; the Public reshuffle. Most producers concerned with programmes, Service Association saw to were in Wellington already and that the administrators that.

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These famous signatures decided on a new relationship

His re-organisation will

It is a good scheme and it will work, but it will not solve all problems. For Cross made it clear that all jobs would be protected, with no redun-

give that assurance, for method, ensuring that the nothing saps the morale of who resign, retire or de st television staff like the fear not replaced. that their jobs may one day vanish in a periodic restruc-

broadcasting people them—system right, and all is solves say, is still the root of dications are that cured television's troubles. There Government thinking is the are too many unwanted people—the biggest changes of all ar

Besides, TVI went into operation three months before TV2 was ready. That gave the second channel a lot of catching-up to do, and it has never guito managed it.

paperwork that slows to

whole pace of television im

Only the Prime Ministeria

on wages and salaries by

closing down the second

Viewers, for all the grumbly

feel they are now entitled a

It would certainly by

unacceptable to the Public

would insist on saving the job

Selling the second chaudh

terested potential buyers M

PSA to force them to maintain

the basic problems, other te

changes are not over yet, of

The TVI network, using wellestablished NZBC engineering links, reached into every corner of the nation. TV2 began transmissions only to small chunks of the country, and has added to them bit by bit, but is still not nationwide.

The very name of TV2 made it appear second best. Wisely, It realised this and chunged to IAN CROSS . . . tries pocky South Pacific Television, but the "smaller brother" image still lingers.

Both channels were set the task of being competitive and complementary. That has proved impossible. The two aims are incompatible.

Competition inevitably meant a race for ratings. staking all programming policies on enticing viewers from the rival. That objective has taken so much precedence that it has swamped the aim of being complementary.

It was principally to improve two channels and would by this particular aspect of terly resent having an elevision that broadcasting chairman Ian Cross has Service Association, whith

bring better pooling of of all present staff. production resources, to make them more economical and effective, and better copossibility. There are is ordination of programme schedules, to make them truly they would need an assured of no interference from 0:

He was right, up to a point, to the long-term "sinking "

Yel over-staffing, many tinkering have not got to cluttering up the channels, still to come, perhaps of with nothing to do but create soon.

and concentrates on companies COMMERCIAL Affairs

Others, whose names on unwilling to discuss them and

Company Office records explain the failure to comply

Division head Brian McLay tennis club variety. said the fallure of three Labour Party-administered incarried out an annual review corporated societies to furnish "as and when we are about to returns does not indicate the do so", Berrett said. Justice Department's inability He emphasised that most to administer the legislation

ensure adequate ad-

ministration of Labour properties, he said. But it

didn't get the push it required

because of the total preoc-

At present, the society was "smouldering" away, but

would be revitalised in the

cupation with the election.

suggest they are supposed to with the law.

THREE Labour Party-

dministered incorporated

supply information on their

accounts to the Justice

Department's Commercial

An inquiry shows that two of the societies have filed no

returns since their in-

orporation in 1976. The third

supplied seven years of ac-

ounts all at once in 1976, but

Some Labour Party mem-

bers have said they are

unaware the societies exist, and that they thus have no

mowledge of their activities.

as filed nothing since.

Affairs Division.

teers, and said the department did not exercise the same to be in a good state", he said. degree of toughness when The three societies were enforcing the Act as it did with linked and a pattern of failure to file statements was evident, Neither he nor McLay, nor but McLay rejected the junior officers within the suggestion that one staff member could not carry out an time when the Act's penalty unnual review of all 4400 files. He said others in the depart-

land ownership.

lacked stability.

open to him."

and that applied to the go to NBR", he said. "He has

more without the department The department normally realising it.

Labour society leads face bob-a-day fines

Incorporated societies are required by law to file annual

If a society is in default, the

registrar has the power to

wind it up. According to the Act, every officer is liable to a

fine of "one shilling" for each

day the society remains in default. (It is understood the Incorporated Societies Act is due for updating shortly.)

The three societies which

are behind with their returns

are Labour Party Properties

Incorporated, the Labour

Party Supporters' Fund In-

corporated, and the Wellington

Labour Party Properties

was incorporated in 1976 and

has its registered office at 101

Vivlan Street, Wellington.

Apart from the rules of the

Labour Club Incorporated.

returns to the registrar.

Company files had to take priority because there was usually little activity within incorporated societies. Many societies were run by volun-

Since around 1976, annual reviews had been carried out. societies and ask them to bring their files up to date and this department, could recall a would be done

If it had already been done cases, that correspondence would not be on the public files. The ultimate penalty would

be to dissolve or wind up the

ARTHUR FAULKNER . . . situation, the remit had been initial member of Labour rejected. The Labour Party Sup-porters Fund also was insociety, and members, no other details have been filed.

The 15 initial members recorded on the file include Arthur Faulkner and Bob rash enough) to suggest save | Justice takes soft line with societies

Properties had provoked vigorous discussion at the party's Regional conference, according to one of the trustees, Ted Keating. But he societies were not typical suggestion that a society could was reluctant to explain societies of the dog, cat or omlt to file for 10 years or further the activities of the

Wybrow would be better able to supply information, he said.

party members had been as surprised as he was, and

The subject of Labour

breakaway Gerald O'Brien), no other documents had been filed at the time of NBR's inquiry two weeks ago. The Wellington Labour Club more information in its file. It is understood the Com-

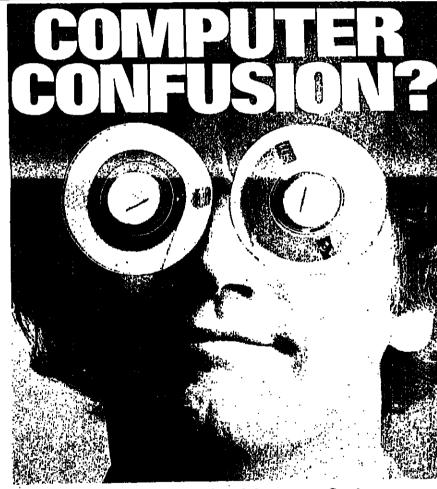
One Labour Party member expressed concern to National Business Review over the lack of public information regarding the societies. He said he had been unaware of their existence until it was suggested at the conference. by a New Zealand Council remit" that Labour Properties take control of all Labour Party buildings. He claimed many other

> because no papers had been furnished to explain either the society's activities or financial BILL ROWLING ... member of Labour Party Supporters'

> the society supplied annual corporated in 1976, but aside from the society's rules, registered office, and the list of initial members (which in-

Tirikatene-Sullivan and the cludes Bill Rowling and party among the initial members. The society's secretary, Doug Foy, had recently indicated his resignation, according to executive member Margaret Shields.

The Wellington Labour Club owns property in Vivian Street mercial Affairs Division had a massive review of all 4400 files Party Headquarters, and in the Wellington District



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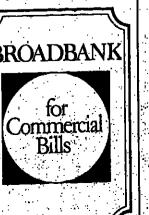
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means that there is already one to



ment were trained to do the Referring to the "one shilling" a day fine, McLay work if necessary. McLay and district said no one could pretend the registrar, A Berrett, both Act should not be reviewed. agreed that these three Berrett rejected the society or societies. Adjustments and structure changes are not over yet, of Party secretary says incorporated groups were 'more or less dormant' SOME of the Labour Party's not be seen for some years, he incorporated societies were said "more or less dormant," said The three societies in party secretary John Wybrow question are not the only when asked if they were still societies connected to the Labour Party.

Glasshouse export head to \$280,000

by Warren Berryman

AUCICIAND based Edenlite locally produced one as the bree week and the local produced one as the bree week and the local produced one as the bree week and the local produced one as the bree week and the local produced one as the bree week and the local produced one as the bree week and the local produced one as the bree week and the local produced one as the bree week and the local produced one as the loc turce years, has become the biggest producer of aluminium framed glasshouses in Australasia.

General manager Tim Johnston said exports in the locond years.

second year of operation were \$98,000 and this year will exceed \$280,000.

Australia.

But there is a problem on the home market. Johnston said he had to pay double the Australian price if he bought the glass in New Zealand, So

The New Zealand glassion

But it exports to Amirals It would seem that fit wat to compete on the Australian market, New Zealand Winds Glass would charge Australian consumer half

d price it charges he le Zealand consumer
New Zealand Window Gla accountant K G Gill dedist

Ef... the prospect of being eaten for breakfast is far greater in place I have seen in all the world.

Jones on Property by Boh Jones: \$9.95 at all used bo write P.O.; Box 1449, Wellington.

Most of these exports go to

the company exports only the to comment on prices, a frames and its Sydney-based to say that the o subsidiary buys the glass in Australia.

to say the glass in prices were under Government control.

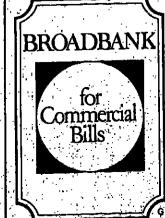
FOURTH IMPRESSION NOW AVAILABLE Auckland, New Zealand, than in

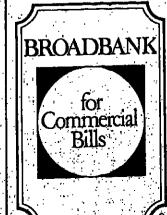
Labour Party Properties Most branches around the had been set up eventually to country have separate inbecome an umbrella society to corporated societies which act as the vehicle for the party's Labour Party Properties had been formed because of the difficulties created when trustees died, Wybrow said. The present trustee system According to Wybrow, the JOHN WYBROW ... would be existence of the societies had Would it eventually take been widely known within the

over the Vivian Street party.

"It disappoints me that a pression that they had been Labour Party supporter should the has filed. We are discussing the pression that they had been pression that they had been the pression that they had been pression that they had been the pression that the pression the pression that question of the Willis Street all the avenues in the party matter with those who entrusted to undertake the

he society's existence would at the failure of the societies to In the case of Labour Party be a nil return — or close to it – anyway.'





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